

Clearly, one cannot say the same about dependence on alcohol, cocaine, heroin or cannabis. For example, the repeated use of cocaine results in psychological changes including depression, the inability to experience pleasure, lack of energy, and social isolation.¹⁵ There is no evidence of any comparable psychological changes in a long time cigarette smoker.

- J. H. Jaffe, writing in the NIDA research monograph, concedes that tobacco use does not induce the same behavioral effects as do recognized substances of abuse:

"[T]obacco does not induce the acute behavioral toxicity that is seen with alcohol, opiates, amphetamines, cocaine, and hallucinogens ...There are no reports of acute fatal tobacco overdosage as a result of smoking or induced aberrant behavior."¹⁶

¹⁵Diagnostic and Statistical Manual of Mental Disorders, p. 178.

¹⁶Jaffe J. H. and Kanzler, M., "Smoking as an Addictive Disorder," in Krasnegor, N. A. (ed.), pp. 12.

- Professor Albert Hirsch, a leading tobacco critic and head of the Respiratory Department at Louis Hospital Paris stated:

"Tobacco cannot be compared to drugs, especially hard drugs like heroin or other narcotics. It is always bad to fight an evil with misstatements or distortions of truth...Therefore, talk of 'addiction' would mean comparing tobacco to something which completely alters the personality of the subjects, turning them into anti-social individuals, which we know is not the case with the overwhelming majority of smokers. We should resist the kind of discrimination and witch-hunt that can be observed in some of the excesses of the anti-tobacco campaign in the United States."⁴

- There are so many disorders that one can be ascribed to almost everybody including:

- If you have ever been restless, you could have Attention-deficit Hyperactivity Disorder;
- If you have ever been confused, you could have Thought Disorder;
- If you pluck your eyebrows, you may have Trichotillomania;

and

- If you have ever used profanity, you may suffer from Gilles de la Tourette's Syndrome.

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- Smoking as an economic factor in employment; wealth transfers from smokers and from owners of firms in the economy.

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F
LIABILITY

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FIRE-SAFE CIGARETTE LEGISLATION (4/89)

"Fire-safe" describes a hypothetical cigarette that will go out if not smoked in a certain period of time, or a cigarette designed so that it is less likely to start a fire in materials such as upholstery or clothing.

LEGISLATIVE HISTORY

Since 1980, legislation to require cigarettes to be made "fire-safe" has been considered by 17 states in the form of 60 bills, as well as by the federal government.

State Fire-Safe Bills	1980	1981	1982	1983	1984	1985	1986	1987	1988
Debated	1	5	8	17	8	3	5	10	5
Enacted	0	0	0	0	0	0	0	0	0

Source: The Tobacco Institute

The majority of the state bills introduced would require agencies within the state to set fire-safe standards, specifically the amount of time allowed for the cigarette to extinguish, the amount of time for development from passage of the bill, and the amount of time for meeting the standards. The others were resolutions urging Congress to pass self-extinguishing legislation. State activity on this issue peaked in 1983, when 10 states considered 17 bills.

So far this year, two states have introduced fire-safe legislation: Massachusetts and Minnesota.

On the federal level, the Cigarette Safety Act of 1984 created the Technical Study Group on Cigarette and Little Cigar Fire Safety (TSG), to investigate technical and commercial feasibility, economic impact and other consequences of developing cigarettes and little cigars, with a minimum propensity to ignite upholstered furniture or mattresses. The Interagency Committee, comprised of the heads of three federal agencies (Consumer Products Safety Commission, Department of Health and Human Services, U.S. Firefighters Association), was given responsibility for supervising the research effort of the Technical Study Group. Cigarette company scientists participated in the 15-member Technical Study Group.

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On October 6, 1987, the TSG released its final report following three years of study of the fire-safe cigarette matter.¹ The group concluded, in brief, that while it may be possible to design a cigarette having a reduced ignition propensity, a substantial amount of further work would be needed to assess the technical and commercial feasibility and other consequences of such a product. The TSG, and subsequently the Interagency Committee, therefore recommended that additional study be carried out in the following areas:

- Design of a standard test method to measure ignition propensity;
- Development of performance data for current market cigarettes, to serve as a baseline for any new cigarettes that might be developed;
- Characteristics of cigarettes, products ignited, and smokers involved in fires;
- Changes in the toxicity of smoke and resultant health effects from the modified cigarettes, and societal costs of injuries from cigarette-initiated fires;
- Acceptability to the smoking public of modified cigarettes.

The TSG and the Interagency Committee also recognized that, depending upon the precise modifications that might be suggested for cigarettes, additional work concerning the economic consequences of the modifications would be required.

¹"Improving the Fire Safety of Cigarettes - An Economic Impact Analysis, National Bureau of Statistics, 1987.

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SUMMARY ARGUMENTS

1. Attempts To Change Cigarettes Will Not Solve The Problem.

It is also important to note that a narrow focus on fire-safe cigarettes obscures the broader accidental fire safety problem. A report released by the Consumer Products Safety Commission on national fire loss claims that in 1986 29% of fire deaths were related to cigarettes. This 14% decrease from 1985 (33%) is significant since all of the other categories, with the exception of match-related fire deaths, showed an increase.²

2. Advances In Technology Cannot Be Created Through Legislation.

The report by the Technical Study Group on Cigarette and Little Cigar Fire Safety concluded that the manufacturing of less fire-prone cigarettes may require some advances in cigarette design and manufacturing technology. Despite attempts by the federal government, the tobacco industry, and by several independent scientists, a commercially acceptable fire-safe cigarette has not yet been developed. The report by the TSG concluded that positive health impacts and fire-loss savings have been overestimated because of the false assumption that the necessary industrial capacity exists.

3. Legislation Jumps The Gun - Validated Measurement Method Does Not Exist.

The Technical Study Group determined that a validated measurement method is needed to determine if a cigarette is less ignition-prone. State passage of unmeetable standards, such as those being proposed in legislation, would mean a virtual prohibition on cigarette sales in that state. It would, therefore, not result in the anti-smokers' desired end to smoking, but would cause widespread bootlegging and "black market" sales.

4. Study Doesn't Address Feasibility And Acceptance Issues.

The Technical Study Group did not address the question of whether the fire-safe cigarette would be commercially feasible, and it assumed that consumers would readily accept the new product. Also, consumer impacts, cigarette industry impacts, tobacco farming impacts, and tax and employment impacts are all estimated only for the first year following modification. No calculations have been made to consider the long-term effect on some of these factors (p. 3). Thus, changes in second-order impacts are underestimated (i.e., change in output foregone, changes in quality of life).

²"National Fire Loss, "Consumer Product Safety Commission, 1987.

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5. **Possible Adverse Employment And Income Effects.**
The Technical Study Group did not rule out the possible increase in the price of cigarettes, or a decline in employment related to the industry, or increased health care costs, or changes in the financial status of the affected industries and professions.
6. **The Cigarette And Tobacco Industry Are Not The Only Opponents Of The Bills To Make A Fire-Safe Cigarette**
Many members of the firefighting and fire prevention community also fear that development of a fire-safe cigarette will interfere with the consideration of more comprehensive answers to the accidental fire problem. Many countries such as Canada, Asia, and Western Europe have achieved significantly lower rates of cigarette-related fires, primarily through improved safety and public education programs, rather than by attempts to change consumer products.
7. **Fire Safety Is Clearly A National Concern.**
Enacting fifty individual and separate laws concerning "fire-safe" cigarettes will cause chaos and confusion. The federal government has already invested several million dollars in the effort to develop a reduced-ignition-propensity cigarette, an investment that supplements the standing efforts of the individual tobacco companies. The tobacco industry, along with most major fire service organizations, supports federal legislation that would implement the recommendations of the TSG and has announced opposition to other bills that would ignore the TSG recommendations and move directly to create standards.
8. **Improved Public Education Is The Real Answer.**
Imagine telling a cutlery maker to manufacture a knife that can cut meat but not your finger. Imagine telling a television manufacturer to produce a TV that will unplug itself during a thunderstorm. That would be ridiculous. No responsible person would oppose a reasonable program to promote fire safety. But a law to require fire-safe cigarettes isn't reasonable. It doesn't address the overall fire safety problem and it sets an ominous precedent: government dictating to consumers what products they can and cannot buy. The real answer to fire safety is improved public education, furniture with fire-resistant fabric, safer heating units, and smoke detectors.
9. **Technological Advances Cannot Be Legislated.**
Some cost data presented in this report assume that immediate implementation is technically feasible. This is incorrect. In the case of modifications that call for "expanded" tobacco and increased paper weight, a lack of necessary industrial capacity exists. In both cases, positive health impacts and fire-loss savings have been overestimated as a result of this false assumption.

10. The Technical Study Group Report Fails To Consider That Behavioral Changes Might Result From Product Modifications. For instance, making cigarettes less likely to ignite could cause increased carelessness, perhaps increasing the number of deaths and injuries and the amount of property damage.
11. The Technical Study Group Report Itself Concludes:
- The savings potential from fire-safe cigarettes is estimated to decline gradually over time. A projected downward trend in consumption, an increase in the prevalence of fire-resistant bedding and upholstery, and improvements in fire mitigation technologies are estimated to diminish deaths and injuries from cigarette fires by 20 to 25 percent, and property losses by about 10 percent, by the mid-1990's (p. vii).
 - Almost 6,000 jobs will be lost if cigarette circumference is reduced. Reduced circumference lessens the tobacco content, reducing the demand for domestic tobacco by 30%, lessening the price by an estimated \$0.08 per pound of leaf, and lessening the annual tobacco revenue by \$300 million, or 15%. Also, 5,000 full-time tobacco farming jobs will be lost (14%), and over 900 manufacturing jobs will go, while fewer than 200 jobs will be created in other tobacco industry sectors. Note: The report shows that under this modification, health effects could be undesirable (p.33-38).
 - 1,700 farming jobs will be lost if cigarette density is reduced. Reduced density lessens tobacco content, reducing the demand for domestic tobacco by 12.7%, lessening the price by an estimated \$0.04 per pound of leaf, lessening the annual tobacco revenue by \$130 million or 6%. At least 1,700 full-time tobacco farming jobs will be lost, while fewer than 600 jobs will be created in other cigarette manufacturing sectors. Note: The report shows that under this modification, health effects could be undesirable (p.36-39).
 - Long-term effects are unknown. Consumer impacts, cigarette industry impact, tobacco farming impacts, and tax and employment impact are all estimated only for the first year following modification. No calculations have been made to consider the long-term effect of some of these factors (p. 3). Thus, changes in second-order impacts are underestimated (i.e., change in output foregone, change in quality of life).
 - More government regulation may result. To offset some of the second-order impacts resulting from some of the modifications, the report seems to recommend additional government regulation of agriculture. Government quotas are specifically pointed as a way to resolve demand and price declines imposed on farmers (p. 10).

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CIGARETTE TESTING AND LIABILITY (4/89)

STATUS

Section 5 of HR4543, introduced by Representative Thomas Luken in 1988, the preemption and liability clause, would have effectively repealed the national standard for health warnings on cigarette packages and advertisements. It was an attempt to amend the decision made by Congress in 1965 that created a national standard for these warnings and preempted state legislation. The bill would have permitted individual states to determine their own standards for cigarette health warnings.

Luken reintroduced this language in the 101st Congress as a provision of HR1250, the "Protect Our Children From Cigarette Advertising Act 1989."

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SUMMARY ARGUMENTS

1. **Preemption Was Clearly The Intent Of Congress When It Passed The Cigarette Labeling And Advertising Act In 1965.**

Congress preempted certain state tort actions in order to ensure that the federally mandated warning notice be the only statement relating to smoking and health required on cigarette packages. The rulings of four United States Courts of Appeal (1st, 3rd, 6th and 11th circuits) and various other federal and state courts have upheld Congress's decision to preempt state damage actions relating to smoking and health that challenge either the adequacy of the warning on cigarette packages or the propriety of a party's actions with respect to the advertising and promotion of cigarettes. The true purpose of this type of legislation is to reverse the rulings of these court decisions and the original intentions of Congress.

2. **Preemption Does Not Deny Potential Plaintiffs The Ability To Seek Action Against Tobacco Companies.**

Although some critics of preemption have asserted that these rulings provide a cloak of immunity that the tobacco companies are hiding behind, tobacco companies have not been immunized from product liability suits. Plaintiffs have consistently failed to prevail in over 300 product liability suits against the industry. This consistency results not because of technicalities in tort law, but because courts and juries have recognized the notion that personal responsibility is a necessary corollary of personal freedom.

3. **A National Standard For Commercial Activity Is In The Public's Best Interest.**

New health warnings set forth by the states would undermine the uniform warnings prescribed by Congress. To facilitate commercial activity, the Constitution delegated to Congress the duty of overseeing national commerce. As the Founding Fathers recognized, giving Congress the authority to regulate national commercial activity is an intelligent decision, for it eliminates the havoc that would result from fifty different jurisdictions regulating the activity. By determining one common law rather than fifty different ones, a clear and concise standard is set for all to abide by. Changing the present law would create confusion and disrupt national commercial activities.

4. **The True Purpose Of Cigarette Testing And Liability Legislation Is To Allow Plaintiffs To Start Winning Tobacco Product Liability Suits.**

Many advocates of a repeal of federal preemption hope that the state courts and legislatures, if only unleashed, will invent new theories of liability under which smokers can start winning cases against tobacco companies. Such legislation is an effort to use the court system to achieve a social result: eliminating or at least substantially reducing cigarette smoking.

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5. **Cigarette Testing And Liability Legislation Would Encourage Individual States To Impose Advertising Bans And Restrictions On Lawful Products.**

Not only would this legislation exacerbate the growing tendency toward the proliferation of advertising restrictions, it would effectively encourage states to impose drastic free speech-related burdens or total bans on cigarette advertising. Regulation by one state could prompt other states to impose comparative restrictions, which would set a dangerous precedent.

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CIGARETTE MANUFACTURER LIABILITY (4/89)

SUMMARY OF TORT AND PRODUCT LIABILITY REFORM

Elements of tort and product liability reform have been enacted in more than 30 states, including restrictions on punitive damages, sanctions for frivolous lawsuits, and caps on noneconomic damages. The complexity of reforms has contributed to the increasing problems related to the availability, affordability, and adequacy of liability insurance. The cost of liability insurance is increasing at an alarming rate, while the coverage of such insurance has been narrowed or cancelled altogether. In some instances, juries have given awards upwards of \$10 million for claims dating back to years when flaws were totally unforeseen. Most of these substantial sums paid to settle suits would have been considered of "nuisance value" a decade ago.

This situation has impeded the U. S. manufacturing industry's ability to compete in the international marketplace and has jeopardized new product innovation and development. The system has caused the discontinuance of existing products and research on liability-prone product lines, layoff of employees, and loss of market share.

STATUS OF CIGARETTE MANUFACTURER LIABILITY

Over 300 product liability suits have been filed against tobacco companies since the first action was brought in 1954 (Edwin Green v. American Tobacco Company). Prior to the Cipollone trial in 1988, 16 of these cases had gone to trial, and not one resulted in a judgment against a tobacco company.

Pending suits have dwindled to fewer than 100 (December 1988) - a drop of more than 40% from the number of suits pending from the year earlier. Thirty-four involve Philip Morris. Over 70% of the remaining cases are being handled by just 6 plaintiffs' law firms.

LEGISLATIVE SUMMARY

Five states have introduced cigarette manufacturer liability proposals, designed to create a new cause of action against cigarette manufacturers for various diseases purportedly resulting from cigarette smoking.

Illinois (4/85) and Wisconsin (4/88, 9/85) proposals would have permitted family members to sue a cigarette manufacturer for lost financial support due to death, illness, or disability of a relative from "cigarette-induced lung cancer or emphysema." A Louisiana proposal (5/88) would have given the state a cause of action against manufacturers of cigarettes to recover expenses incurred by the state in providing medical treatment for lung cancer for any person that the state can prove contracted the cancer as a result of cigarettes. A Rhode Island bill (3/86) would have established a cause of action for a variety of diseases, including lung cancer, emphysema, and heart disease. Punitive damages would be specifically permitted. A Washington proposal (4/89) would shift the burden to the defendant to prove that cigarette smoking did not cause the plaintiff's injury. All these bills died except for the Washington bill, which is still pending in the Committee on Law and Justice.

SUMMARY ARGUMENTS

1. **Civil Law Should Prevent, Rather Than Encourage, The Search For A "Deep Pocket".** Our legal system should be altered to compensate people who have been injured and to minimize the threat of lawsuits that are discouraging individuals and companies from introducing innovative products for fear of prohibitive liability awards. The courts should return to the concept of real fault and penalize only those who make unreasonably dangerous products, engage in illegal or deceptive practices, or maliciously harm others. This would prevent our legal system from becoming a playground for hypochondriacs.
2. **Consumers Have Been Aware Of Possible Health Hazards For Several Decades.** The ordinary American smoker has, in fact, been deluged with information about the potential hazards of smoking since the first Surgeon General's Report 25 years ago. Indeed, smoker awareness of possible health hazards was high in the early 1950s, when Reader's Digest -- the most widely read publication in America -- touched off the first health scare. Under the concept of strict liability, a manufacturer may be found liable for damages only if he fails to warn consumers of the "unreasonable dangers" of a product he markets. The four-decades-old controversy over the issue of smoking and health will make it difficult for juries to find that cigarette smokers were not adequately warned of the potential dangers.
3. **Tort Reform Should Put Restrictions On Liability Awards.** The number of lawsuits has exploded in the past 25 years. While million-dollar jury verdicts were awarded only twice in 1963, the count was over 400 for 1987, not including the cases settled out-of-court. The cigarette "accountability acts" that have been introduced would create an administrative nightmare, prompt unnecessary and unwarranted litigation, create uncertainty where none now exists, and create a business out of liability lawsuits.
4. **Tort Reform Must Consider Inappropriate Casual Attributions Of Disease To Smoking.** The presumption of causation is irrational and arbitrary, violating the due process clause of the U.S. Constitution. Scientific research over the past 15 to 20 years has determined that a number of other factors are associated with many of the diseases commonly linked to smoking. Thus, such legislation repudiates the universally recognized and fundamental premise of tort law: A plaintiff must prove causation as a prerequisite for recovery.
5. **The Singling Out Of The Tobacco Industry From Among Numerous Others That Manufacture Lawful Products Alleged To Cause Harm Is Discriminatory And In Violation Of The Constitutional Guarantee Of Equal Protection.**

WARNING LABELS (4/89)

STATUS

On October 12, 1985, Congress required four new warning labels on all cigarette products and advertising to be rotated quarterly. This is the second revision in the federal labeling law since 1966. The labels begin with "Surgeon General's Warning" and state:

- "Smoking Causes Lung Cancer, Heart Disease, Emphysema, and May Complicate Pregnancy."
- "Quitting Smoking Now Greatly Reduces Serious Risks To Your Health."
- "Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight."
- "Cigarette Smoke Contains Carbon Monoxide."

In 1988, Senator Bill Bradley (D-NJ) added an amendment to the Omnibus Drug Bill to require a fifth warning be added to the rotation: "Smoking is Addictive." The provision was omitted from the bill. In the 101st Congress, Representative Jim Slattery (D-KS) introduced the "Federal Cigarette Labeling and Advertising Act, Amendment," which would require cigarette packaging and advertising to bear a permanent label, in addition to the four current labels, stating: "Surgeon General's Warning: Nicotine in Cigarettes is an Addictive Drug." The bill is pending in committee.

SUMMARY ARGUMENTS

The continued emphasis on histrionic labels appears unnecessary in light of virtually universal knowledge (90+%) of the health risk claims regarding smoking.

In hearings before the United States House of Representatives in March 1982, on a proposal for rotational warnings, a letter by Burns W. Roper, Chairman of the Roper Organization, concluded, "The public is highly aware of the reported danger of smoking." In a Report to Congress, the Federal Trade Commission stated: "More than 90% of adults now believe that smoking is hazardous to health."

In an article on causes and prevention of cigarette smoking in children and young adolescents, published in the Journal of Advances in Behavioral Pediatrics (1981), N.T. Blaney states:

"Perhaps the most consistent finding for both adolescents and adults is that knowing that smoking is harmful does not deter people from smoking nor does increasing a person's awareness of the risks cause smoking habits to change....At present, data do not show that knowledge of health risks either differentiates between smokers and nonsmokers or serves to deter the onset of smoking."

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G

**REGULATORY
ISSUES**

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TOBACCO REGULATION (12/89)

STATUS

This year, as in the past, several bills have been introduced to place the regulation of tobacco and tobacco products, including cigarettes, within the jurisdiction of the Food and Drug Administration (FDA) and the Consumer Product Safety Commission (CPSC). For example, "The Tobacco and Nicotine Health and Safety Act of 1989", introduced by Representative Whittaker, et al., would amend the Federal Food, Drug and Cosmetic Act "to regulate the manufacture, sale, promotion, and distribution of tobacco and other products containing tar, nicotine, tobacco additives, carbon monoxide, and other potentially harmful constituents, and for other purposes."

These bills were introduced on the premise that tobacco and tobacco products are under-regulated and would be better monitored if under the jurisdiction of one government agency, specifically the FDA or the CPSC. Neither of these assumptions is valid. Tobacco and tobacco products are already one of the most highly regulated consumer products in the country. Furthermore, the FDA and the CPSC do not have the funding, the resources or the scientific capability to meaningfully regulate the tobacco industry.

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SUMMARY ARGUMENTS

1. The Tobacco Industry Is Already Over-Regulated

Tobacco And Tobacco Products Are One Of The Most Highly Regulated Consumer Products. "The regulation begins at the seedbed and extends without significant interruption through, and even well beyond, the retail level. The suggestion (that tobacco is under-regulated) ignores, among other things, the many statutes and regulations that govern virtually every aspect of the growing, manufacturing, marketing and use of tobacco and tobacco products."

- The U.S. Department of Agriculture (USDA) employs graders who set price levels and product quotas for tobacco leaf. The USDA also grades the quality of domestic and imported tobacco and regulates the use of pesticides on tobacco in cooperation with the EPA.
- The Office On Smoking and Health, Department of Health and Human Services (HHS) monitors the ingredients of tobacco. HHS is also required to conduct and support research and to inform the public concerning any relationship between tobacco products and health.
- The Interagency Committee on Smoking and Health (comprised of HHS, Federal Trade Commission, Department of Labor, Department of Energy) reviews both the public and private sector activities with respect to smoking and health, and recommends to Congress any policy initiatives that are deemed appropriate.
- The Technical Study Group on Cigarette and Cigar Fire Safety (comprised of members of the CPSC, United States Fire Administration (USFA) and the Assistant Secretary of Health, Department of HHS) has investigated ways to alter cigarettes and little cigars to reduce their ignition propensity.
- Tobacco advertising is regulated and monitored by the Federal Trade Commission. The FTC also submits an annual report on advertising and recommendations for legislation.
- The Department of Transportation (DOT) regulates smoking on airplanes.
- The Bureau of Alcohol, Tobacco, and Firearms (BATF) requires the disclosure of "tar" and nicotine levels on every tobacco carton or package. They also govern the type of packaging in which tobacco-products can be marketed and prohibit certain promotional practices.
- The federal government currently taxes all tobacco products, including cigarettes. In addition, the fifty states, the District of Columbia and many localities place a consumer tax on tobacco products.

¹Whitley, Charles O., Testimony before the Subcommittee on Energy and Commerce, Consumer Protection and Competitiveness, the Committee on Energy and Commerce, September 16, 1987.

a. **Congress Specifically Excluded Cigarettes From the Jurisdiction of the CPSC.** The products Congress sought to regulate with the Consumer Product Safety Act include carpets, children's sleepwear children's toys, safety closures, refrigerators, glass, lead in paint, lawnmowers, sporting equipment and all-terrain vehicles. It specifically excludes products covered by existing regulation, including tobacco and tobacco products, which are subject to regulation under the Federal Cigarette Labeling and Advertising Act.

b. **The Commission Is Already Overburdened.** The CPSC has jurisdiction over 10,000 to 15,000 products, distributed by over 1 million companies. Furthermore, each year 36 million consumers are injured, and 28,000 are killed in consumer-product associated accidents. These injuries create an estimated 60,000 to 70,000 lawsuits alleging serious injury or death caused by defective products. Theodore J. Garrish, former General Counsel to the CPSC, and a strong advocate of product safety stated: "I strongly believe...placing an increased workload under the jurisdiction of the Commission would only exacerbate the difficulties the Commission currently has in carrying out its existing mandate....Its mandate is already too broad, with too little resources to do an adequate job in protecting health and safety of products within its current purview. Expanding the products regulated on the Commission agenda would only have the effect of undermining overall product safety."²

c. **The CPSC Budget And Staff Are Already Limited.** "Since 1981, the CPSC budget has been slashed from \$42 to \$34.5 million, its staff decreased from 975 to 519, and its area offices reduced from 14 to 3."³

d. **The CPSC Was Created To Handle Areas Not Reliant on Scientific Or Technical Theory.** The CPSC has concentrated its efforts on the safety aspects of consumer products not addressed by other firms with more specific expertise. "The CPSC has neither the resources nor the medical or scientific expertise to contribute to the existing comprehensive system of government regulation of tobacco...They lack the toxicological and chemical resources..."⁴

² Letter from Theodore J. Garrish to Sally Katzen, October 12, 1988.

³ Adler, R.R. and P.D. Pittle, "Time To Strengthen Consumer Protection," The Christian Science Monitor, May 8, 1989.

⁴ The Proposed Resolution Urging Congress to Reconsider the Exemption of Tobacco Products From the Consumer Product Safety Act Should Be Rejected," Covington & Burling, October 12, 1988.

e. **Even The Most Outspoken Tobacco Critics Are Questioning The Benefit Of Transferring The Governing Power Of Tobacco To The CPSC.** A report released in May 1989, after the National Conference "Tobacco Use In America", stated, "The total regulatory ramifications of this approach are not clear, but at the extreme, could result in the product being banned. While logical, this approach may not be feasible at this time."⁵ The Senate Commerce Committee, in 1975, determined that giving the CPSC jurisdiction over tobacco products "would exhaust its resources and it would be unable to address the other safety issues with which it must be concerned."⁶ Senator Frank Moss (D-UT), who was among those who had initially petitioned the CPSC to exercise jurisdiction over high-tar cigarettes, agreed to the amendment expressly exempting tobacco products from regulation under the Federal Hazardous Substances Act.

3. The Food and Drug Administration

a. **The FDA Has Consistently Rejected Proposals To Regulate Cigarettes.** In 1977 and 1980, FDA rejected petitions by Action on Smoking and Health calling on the agency to assert jurisdiction over cigarettes on the ground that they contain nicotine and on the ground that they have filters. The FDA stated:

"No court has held that cigarettes are a drug under the Act. ... (C)igarettes are not a drug unless health claims are made by the vendors."

In response to the claim that cigarettes affect the function of the body and should, therefore, be regulated, the FDA stated:

"However, effects alone do not establish jurisdiction ... (E)ven assuming the accuracy of the assertions as to the effects of cigarettes, the petition does not establish that these effects are intended."⁸

⁵ "Federal Regulation of Tobacco Products," Tobacco Use In America Conference, January 27-29, 1989.

⁶ S. Rep. No. 251, 94th Congress, 1st Session 1975.

⁷ Letter from Donald Kennedy, Commissioner of Food and Drugs, to John Banhzaf, III, December 5, 1977.

⁸ Action on Smoking and Health V. Harris, 655 F.2d 236 (D.C. Cir. 1980)

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"Nothing in the language or legislative history of the statute suggest any intent on the part of Congress to include cigarettes or other smoking articles within the categories of drugs or devices."⁹

b. **The FDA Does Not Have The Resources To Take On Added Responsibility.** FDA's request for more funds have consistently been denied. In March 1989, FDA Commissioner Frank Young told Senators, "If you want me to do my job, give me the resources...It is a cruel joke to pass over 20 bills requiring more work and decrease the resources. And the American people need to know that."¹⁰ Experts estimate that the "workload at the agency has jumped 318 percent since 1983, while there has been a 20 percent drop in the FDA's ability to review applications for new drugs."¹¹ Currently, "the FDA has only a \$48 million budget and 1000 inspectors in all, checking everything from blood banks to drugs to food safety." Therefore, enabling them to "routinely sample less than 1 percent of the nation's food supply each year..."¹²

c. **Substandard Quality of Service Is Provided By The FDA.** In a study released June 1989, the House Energy and Commerce Subcommittee on Oversight and Investigation determined that "a staggering 40 percent of the samples that were physically tested did not meet FDA standards for a variety of reasons. Furthermore, this 40 percent is only 2 percent of the total 1 million food shipments that enter the U.S." The study further estimated that this could result in 'hundreds or thousands of deaths'. Moreover, the Subcommittee found, the FDA inspected only 39 of 3,386 registered canned food importers in the last five years. Of the 39, 14 failed, but the FDA did not follow up. Also mentioned was inadequate policing by both the FDA and the Custom Service to insure that refused shipments were re-exported or destroyed. FDA spokesman, Chris Lecos agreed, "there is no question that the quality of inspections could be improved, but it takes resources."¹³ Therefore, those who advocate regulating tobacco under the authority of the FDA should re-focus their efforts on more pertinent matters such as the nation's food supply which affects the entire population.

⁹ 21 USC 201(g),(h) (1982).

¹⁰ Beck, Melinda, "Warning!", Newsweek, March 1989, p. 16.

¹¹ Shaffer, M., "U.S. Drug Agency Head Seeks More Intervention," Reuters, February 16, 1989.

¹² Beck, M., p.16.

¹³ "Nation: Government Briefing," INSIGHT, August 14, 1989, p. 22.

In a November 1986 study, the FDA's Office of Management and Operations summed up the condition of its import operations as follows:

"...employees, though dedicated, are simply overwhelmed. Currently the agency is able to examine less than 10 percent of the products listed on the entry documents. The lack of resources has created the potential for a significant problem..."¹⁴

c. **FDA Reaction Time Is Already Unacceptably Slow.** According to Monte Levitt, Executive Vice President and Scientific Director for Pittsburgh's Biodecision Laboratories, "For a brand new compound that has not been used before in a drug, it takes an average of about 12 years and costs around \$100 million to get the drug on the market -- if it makes it to the market at all."¹⁵ Currently, there are more than 700 drugs waiting to be approved by the FDA, of which 353 concern new products not already on the market. Many of these are vital developments including insulin, tumor growth factors, and several vaccines for AIDS, Hepatitis, Polio, Rabies, etc.¹⁶ By adding tobacco to the regulatory responsibility of the FDA, the process of approving these products would be delayed, or possibly forfeited.

d. **There Has Been Increasing Criticism Surrounding The FDA In Recent Years.** For example, the FDA increased its manpower devoted to testing apples during the recent Alar scare. This effort proved to be wasteful. It might have helped to catch the occasional apple laced with high levels of pesticides, but there is no consensus on how harmful the pesticides really are. "...[S]ending more inspectors to pick through grapes and cherries while deadly microorganisms lurk in dairy products and meat is like using the army to catch speeders while enemies infiltrate our borders. Overburdening hard-pressed inspectors to calm the public's changing fears will not keep the food supply safe."¹⁷ This applies to the issue of tobacco and tobacco products.

¹⁴ "An Organizational Review of FDA's Import Operations," Report by the Office of Budget Management and Operations, FDA, November 1986.

¹⁵ Beck, M., p. 16.

¹⁶ Clark, Ethel, Editor, "The NDA Pipeline", 1988

¹⁷ Freundlich, N. "Why the Great Grape Scare Missed the Point," Business Week, April 3, 1989.

e. **Skepticism Exists Over Whether Or Not The FDA Is Capable of Handling The Responsibility It Now Has.** Currently, an investigation is pending concerning corruption at the FDA. Six FDA chemists and drug manufacturers have already been convicted of illicit gratuities charges and the investigation is¹⁸ expected to result in a far-reaching indictment against more employees. Furthermore, in an investigation of a new drug, Versed, the House Committee on Government Operations Human Resources and Intergovernmental Relations Subcommittee suggested that the FDA's enforcement of its legal reporting requirements are woefully inadequate. "The FDA overlooked evidence in its own files...Previous subcommittee investigations have shown similar FDA laxity in pursuing in-house evidence of serious lapses. In fact, FDA learned of such lapses involving new drugs such as Oraflex, Merital and Suprol¹⁹ not from its own personnel, but rather from a congressional committee." ¹⁹ Congressman Ted Weiss (D-NY) said, "The agency has consistently failed to take the actions required to ensure receipt of all the information it needs to safeguard consumers from the risks of toxic new drugs."²⁰ "If the FDA persists in its failure to require prompt reporting of serious adverse drug reactions...it cannot assure the American public protection from potentially unsafe and misbranded drugs."²¹

¹⁸ Valentine, Pauline, "Scope Widened in FDA Bribe Probe As Convicted Employees, Firms Cooperate," The Washington Post, July 26, 1989.

¹⁹ "FDA's Deficient Regulation of the New Drug Versed", 71st Report, Committee on Governmental Operations, U. S. Government Printing Office, Washington, 1988.

²⁰ Ibid.

²¹ Ibid.

TOBACCO PRICE SUPPORT PROGRAM (4/89)

STATUS

The Federal Government Tobacco Price Support and Production Control Program currently in effect guarantees farmers a minimum price for their tobacco in return for strict limits on production. All tobacco types are eligible for the program, which is voluntary. Growers of each type of tobacco are given the choice, via referendums every three years, to participate. Most elect to be bound by price support guidelines. The tobacco is taken as collateral by a cooperative owned and operated by growers. The program is designed to ensure the farmer a reasonable return for his considerable investment.

SUMMARY ARGUMENTS

1. **The Money Is Not a Gift.**
It is a government-backed loan, to be paid back just like the government loans for small businessmen, students, and home buyers, and is paid back with interest.
2. **The Government Does Not Pay For Tobacco.**
Since 1982, each participating grower has contributed to a fund held by his cooperative to ensure repayment of loans and interest.
3. **Tobacco Net Loss Is Pennies Compared To Other Supported Crops.**
The Commodity Credit Corporation, the organization that oversees the price support program, shows a \$58 million net loss on tobacco loans over a half century - the result of only two or three bad years - while the corn and wheat price support programs each show over fifty times the loss (\$3 billion) and cotton thirty times the loss (more than \$2 billion).
4. **Without the Support Program, Tobacco Products Would be More Readily Available.**
Critics argue that the program makes tobacco products more readily available. This is not true. The program is intended to, and does, keep domestic tobacco supplies lower than they would be without it.
5. **Without the Program, Many More Acres Would be Devoted to Tobacco.**
Overplanting would bring a larger tobacco supply and lower prices for the farmers, who could lose their land and other capital. Such widespread financial and commercial disruptions would create recessions with national repercussions.
6. **Without the Program, Conditions Would be Worse.**
Michael Perschuk, a former member of the FTC and an anti-smoking zealot said, "Without the program there would be a return to the conditions which spawned the program in the great depression."
7. **Price Support Programs are an Agricultural and Economic Matter, Not a Health Issue.**
Surgeon General Koop and federal health officials consider price supports to be an agricultural and economic matter, "not an issue concerning public health. It's hard to see how a subsidy by the government encourages young people to start smoking or keeps people who are smoking continuing."

Source: The Tobacco Institute

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TOBACCO AND INTERNATIONAL TRADE (4/89)

STATUS

On February 18, 1988, a meeting of the Interagency Committee on Smoking and Health discussed the issue of tobacco and the United States trade policy. Although U.S. trade policy jurisdiction rests with Congress and the Administration through the U.S. Trade Representative and with such cabinet departments as State, Treasury, Commerce, and Agriculture, this committee, headed by Surgeon General Koop, met to consider possible ways to decrease American exports of tobacco.

On March 22, 1989, Representative Melvin Levine (D-CA) introduced the Tobacco Export Reform Act, requiring warning labels on all exported cigarette packages in the primary language of the receiving country. The Act would also "prohibit the use abroad of any advertising media unlawful in the U.S." and prevent the Executive Branch from "expanding" foreign tobacco markets.

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SUMMARY ARGUMENTS

1. Eliminating Trade Barriers Does Not Increase Cigarette Consumption.

There is no evidence that eliminating a trade barrier against American cigarettes in a foreign country increases smoking in that country. For example, in Japan, the sale of U.S. brands is up sharply, but overall cigarette consumption has declined every year since 1982. In Thailand, overall consumption has risen slightly for the past two years, although American cigarettes are virtually banned. Also, in China, the Soviet Union, and Poland, increased cigarette consumption cannot be attributed to American cigarettes, which are generally not available. If American brands are denied entry, smokers in these countries will not stop smoking. They will simply not smoke American cigarettes, consuming instead local brands or cigarettes made in Germany, the Netherlands, England, or Bulgaria.

2. Exports Of Cigarettes And Leaf Tobacco Maintain Employment And Earnings.

Exports of cigarettes and leaf tobacco maintain employment and earnings nationally and in several states. In 1988, the U.S. Agriculture Department estimated that almost one out of every six cigarettes made in the U.S. went to foreign buyers. Late Secretary of Commerce Malcolm Baldrige said that every billion dollars in exports creates 25,000 American jobs. Therefore in 1988, tobacco exports would have accounted for over 80,000 U.S. jobs. Another favorable by-product of increased American cigarette sales in Japan and Taiwan is that those government monopolies are adding more American-grown tobacco to their cigarettes to compete with American brands.

3. U.S. Continues To Obtain Tobacco Trade Surplus.

The tobacco industry has consistently produced an annual surplus, even when the U.S. national trade deficit reached \$137.3 billion in 1988. Between the years 1980 and 1988, tobacco's trade surplus increased by 91.5%. Also, in 1988, five of the top ten export earners were agricultural products, including tobacco and tobacco manufacturers.

Tobacco Trade Balance Surplus (\$millions)

1980	1981	1982	1983	1984	1985	1986	1987	1988
1867.0	1971.6	1938.0	1887.0	1944.2	2126.8	2011.1	2669.1	3575.1

Since the U.S. trade deficit is concentrated in a few economies of the world, such as Japan, Germany, Hong Kong, and Taiwan, and tobacco trade with these countries generates a positive U.S. balance, tobacco could provide the example that other American industrial sectors should follow if the trade deficit is to be reduced.

4. **Export Restrictions.**

The regulation of cigarette sales should be the province of the country in which they are sold, not the exporting country. If the American government were to place restrictions on U.S. cigarette exports, that would constitute cultural imperialism against foreign nations. The U.S. would not want a foreign government placing speed governors on auto exports because it believed Americans drove too fast. By the same token, the U.S. has no right to interfere in another country's consumption patterns.

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APPENDIX A

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COMPANIES WITH NO-SMOKING POLICIES

Employers Who Provide Some Smoke-Free Areas at Work:

Allied-Signal Aerospace Co., KS
Aunt Sarah's Pancake House, Richmond, VA
Bank of America, San Francisco, California and elsewhere; 70,000 employees
Bank One, Columbus, OH
Blue Cross Health Serves, Inc., St. Louis, Missouri
Byram's Lobster House, Richmond, VA
Cal State Fullerton, Los Angeles, CA (the only exception being the University Center)
Chicago Tribune, Chicago, Illinois
Cincinnati Bell Telephone Co., Cincinnati, Ohio
Columns Restaurant, Richmond, VA
Combustion Engineering, Stamford and Windsor, CT, 4,200 employees
Continental Illinois Bank & Trust Co., Chicago, Illinois
The Daily News, New York, NY
Dow Chemical
E.I. du Pont de Nemours & Co., Wilmington, Delaware, and elsewhere
Ford Motor Glass Plant, Tulsa, OK
Frederick Electronics, Frederick Maryland, 350 employees
General Electric, General Purpose Control Dept, Mebane, North Carolina
General Motors Corp., Detroit, Michigan, more than 500,000 employees in 151 locations in 26 states
General Motors Corp., Indianapolis, IN, 7,500 employees
Golden Corral Family Steak Houses, Richmond, VA
Hewlett-Packard, Palo Alto, California, and elsewhere, 30,000 employees
Houlihan's, Richmond, VA
Kettle Restaurant, Richmond, VA
Levi-Strauss, San Francisco, California, and elsewhere, 35,000 employees
Marie's Family Restaurant
Martin Marietta Corp., Bethesda, Maryland, and elsewhere
McGraw-Hill, New York City and elsewhere, 15,000 employees
Mobil Oil Corp., New York, New York
New England Mutual Life Insurance Co., Boston, Massachusetts
New England Telephone Co., Providence, RI 29,000 employees
Ontario Ministry of Health, 13,000 employees
J.C. Penney, Inc., New York, New York
Peking Restaurant, Richmond, VA
Procter & Gamble
Prudential Insurance Co., Newark, NJ, 83,000 employees
Public Service Electric and Gas, Newark, New Jersey
RAI Research Corp., Long Island, NY
Ralston-Purina Co., St. Louis, Missouri, 50,000 U.S. employees
Rejis Commission, St. Louis, MO
Rexham Corp.
Rockwell International, Rocky Flats Plant, North American Space Operations, Golden, Colorado

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Employers Who Provide Some Smoke-Free Areas at Work:

Roy M. Huffington Inc., Houston, TX
San Marino's, Richmond, VA
Sears, Roebuck & Co., New York, New York
Sergio's Ristorante, Richmond, VA
Slate Industries, Ashland City (ban in areas where hazardous)
Southwestern Bell Corp., St. Louis, Missouri, as of 1/1/88
Sperry Co., Blue Bell, Pennsylvania; 3,800 employees
Spinnakers Restaurant, Richmond, VA
St. Patrick's Restaurant, Richmond, VA
Sword and Kilt, Richmond, VA
The Bankers Life, IA
Travelers Insurance Co., Hartford, Connecticut
Venito's Pizza & Subs, Richmond, VA
Western Sizzlin' Steak Houses, Richmond, VA
Weyerhaeuser, Tacoma, WA
Whig-Standard Newspaper, Ontario, CA
WSMV, Nashville, TN
Xerox Corp., Stamford, Connecticut
Zale Corp., Dallas, Texas, 17,000 employees

Employers Who Provide More Extensive Smoke-Free Areas, Including Work Stations:

Aetna Life & Casualty Co., Hartford, Connecticut; 40,000 employees
AT&T
Avco Aerostructures Textron (smoking banned for fire prevention)
Bancroft & Whitney Co., San Francisco, California; 220 employees
Baptist Hospital (patients allowed to smoke in rooms, employees may smoke only in designated areas)
Bethlehem Steel Corp. Bethlehem, PA; 1,600 employees
British Columbia Ministry of Health, Victoria, Canada; 65,000 employees
British Columbia Telephone Co.
Brooklyn, New York District Attorney; 700 employees
Catholic Health Association, St. Louis, MO
CIGNA Insurance, Bloomfield, Pennsylvania; 12,000 employees
Cincinnati Bell Telephone Co.
Citizen, Northshore, Washington
Control Data Corp., Minneapolis, Minnesota and elsewhere; 55,000 employees in the U.S.
Daily News, Longview, Washington
General Electric, Bridgeport and Fairfield, CT
Harvard University, Cambridge, Massachusetts
Health & Welfare Canada; 10,000 employees
Health Insurance Association of America, Washington, D.C., New York City and Chicago
Hollis Automation Inc., Nashua, NH
Honeywell, Inc., Minneapolis-St. Paul, Minnesota
IBM, 200,000 employees
Immuno Nuclear Corp., Stillwater, Minnesota
KAKE-TV, Wichita, Kansas

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Employers Who Provide More Extensive Smoke-Free Areas, Including Work Stations:

Kansas Dept. of Health and Environment

Lawrence-Berkeley Laboratories, Berkeley, California; 2,600 employees

Lee Tire & Rubber Co., Valley Forge, Pennsylvania; 200 employees

Lord & Taylor, New York, NY (smoking banned in 5th Avenue executive offices)

Los Angeles Airport air traffic controllers; work area

Manville Corporation

Marion County Health Dept., Indianapolis, Indiana; 550 employees

Massachusetts Dept. of Public Welfare, Attleboro office

Michigan Dept. of State; 2,500 employees in 180 offices

Midland Brake Inc., Iola, Kansas; 500 employees

Mountain Bell, Lakewood, CO (banned on some floors)

New Jersey Bell; 20,000 employees

New Jersey State Department of Health; 1,300 employees

New Milford Hospital, New Milford, CT; 450 employees.

Opryland USA

Pacific Mutual Life Insurance Co., Newport Beach, California; 1,200 employees

Pacific Telesis Group, California and Nevada; 76,400 employees

Perkin-Elmer Corporation, Norwalk, Connecticut headquarters; 10,000 employees

Pima County, Arizona (Tucson); 4,000 employees

Pitney Bowes, Fairfield County, CT; 7,000 employees

Pratt & Whitney Aircraft, Government Products Division, Palm Beach, Florida; 7,000 employees (Hartford, Connecticut headquarters extended the rules to three divisions affecting more than 40,000 employees)

Ramsey County Welfare Dept., St. Paul, Minnesota

RFL Industries, Inc., Boonton Township, New Jersey; 300 employees

W.W. Richardson Insurance Agency, Inc., Warren, Rhode Island

Safeco Insurance, Seattle, Washington; 7,000 employees

St. Thomas Hospital (visitor smoking only in designated areas of waiting rooms and cafeteria, patients allowed to smoke in rooms only with physician's permission. Hospital departments set own policy. Employee lounges on alternating floors are designated smoking or nonsmoking)

Tallahassee Democrat, Tallahassee, Florida (smoking ban in newsroom)

Television Bureau of Advertising, New York, New York

The Tennessean (smokers segregated from nonsmokers; right of nonsmoker prevails where segregation is not possible. Smokeless ashtrays provided in newsroom. No smoking in public areas; nonsmoking area in cafeteria)

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Employers Who Provide More Extensive Smoke-Free Areas, Including Work Stations (cont.):

Tennessee State Government (Dept. of Health and Environment, Dept. of Health and Human Services, Dept. of Commerce and Insurance)
U.S. Government, Department of Health & Human Services, Tennessee Valley Authority
United Technologies Corporation, CT (including 4 Pratt & Whitney divisions); 600 corporate workers
University of Arizona, Tucson, Arizona
Vanderbilt University and Medical Center (no official smoking ban at the university, but hospital has designated smoking areas)
Wall Street Journal, New York, New York
Wells Fargo Bank, California
Wichita, Kansas Fire Department; 400 employees

also companies that use Live for Life health program, including Johnson & Johnson, New Brunswick, New Jersey

Smoke-Free Companies, Except for Certain Lounges, Cafeteria Areas:

Adrian Construction Co., Inc., Dallas, Texas; 20 employees in office
Amway Corp., Grand Rapids, MI
Bass Shoe Co., ME
Bata Shoes, Don Mills, Ontario, 200 employees
Becton Dickinson and Co., Paramus, New Jersey; 600 employees (smoke-free except for some private offices. This policy is recommended for other U.S. and foreign sites 19,000 employees.)
Blue Cross and Blue Shield of Minnesota, St. Paul, Minnesota; 1,600 employees
Blue Cross and Blue Shield; New Jersey
The Boeing Co., Seattle, Washington and Wichita, Kansas; 83,000 employees
Bonnie Bell Cosmetics Co., Lakewood, Ohio; 250 employees
Campbell Soup Co., Camden, New Jersey (total smoking ban since 1969)
Central Telephone Company-Nevada, Las Vegas, Nevada; 2,000 employees
Chesapeake and Potomac Telephone Co., (10,500 employees)

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Smoke-Free Companies, Except for Certain Lounges, and Cafeteria Areas:

City Federal Savings and Loan Association, Piscataway, New Jersey, and elsewhere; 5,000 U.S. employees (smoking allowed in private offices)

C&P Telephone

C&T Telephone, Washington, D.C.

Connecticut Mutual Life Insurance Co., Hartford, Connecticut; 2,100 employees

Continental Heritage Press, Tulsa, Oklahoma; 12 employees

Continental Incorporated, Seattle, Washington; 130 employees

Adolph Coors Company, Golden, Colorado; 10,000 employees

Datascope Corp., Paramus, New Jersey; 700 employees (smoking allowed in private offices)

Deluxe Check Printers, St. Paul, Minnesota and 65 other locations in 35 states; 11,000 employees

Department of Health & Human Services, Region X Office, Seattle, Washington

Department of Human Resources, Charleston, W.VA

Duke Power Company, Charlotte, NC

Ellis Fischel State Cancer Center, Columbia, MD

Emporia Gazette, Lawrence KS

Falcon Safety Products, Mountainside, New Jersey

Family Life Insurance, Seattle, Washington

Federal Cartridge Corp., Anoka, Minnesota; 2,000 employees

Federal Government

Federal Home Loan Bank, IA

Ford Motor Company

Foremost Corporation of America, Grand Rapids, MI

Fusion Systems Corp., Rockville, Maryland (Smoking is allowed only in one or two enclosed, fully ventilated smoking rooms in each building.)

Grandview Hospital, Lansdale, PA

Group Health, Inc., Minneapolis, Minnesota; 2,000 employees

Guaranty Bank & Trust Co., MA

Johns-Manville, Denver, CO, (in effect approx. 1 year)

Journal Sentinel Inc., Milwaukee, WI, (sponsors cessation classes in effect 1/4/88)

Juneau-Douglas Telephone Co., Juneau, Alaska; 75 employees

Kentrox Industries, Portland, Oregon

Kessler-Ellis Products, Atlantic Highlands, New Jersey; 85 employees

The King's Daughters' Hospital, Madison, IN; 1/1/90

Kraft Inc.; all Headquarters and Technology Center locations, (2/1/88 company sponsoring smoking cessation classes)

Kroger (in offices, company has supplied smokeless ash trays; in stores, employees may smoke only in designated break rooms)

Lee Company, Salina, Kansas

Levi Strauss and Co.

Love Box Co., Wichita, Kansas and elsewhere; 700 employees

Lowenstein Supply Corp., Vineland, New Jersey; 25 employees

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Smoke-Free Companies, Except for Certain Lounges, and Cafeteria Areas:

Lutheran Brotherhood, Minneapolis, Minnesota; 800 employees
Medtronic Inc., Minneapolis, Minnesota; 3,000 employees
Merle Norman Cosmetic Co., Los Angeles, California; 1,300 employees
Metro Government (Board of Health policy bans smoking in clinic waiting areas)
Middletown, New Jersey Police Department
Mississippi State University (restrict smoking in designated areas)
The Milwaukee Journal, Milwaukee, WI, (sponsors cessation classes in effect 1/4/88)
MSI Insurance Co., Arden Hills, Minnesota; 800 employees
New Brunswick Scientific Co., Inc., Edison, New Jersey; 400 employees (smoking cessation classes)
New England Deaconess Hospital, Boston, Massachusetts
Nissan Motor Manufacturing Corp. U.S.A., Carson, CA
Northwestern National Life Insurance, Minneapolis, Minnesota; 2,000 employees
Perkin-Elmer Corp., Physical Electronics Division, Eden Prairie, Minnesota 400 employees
Premier Dental Products Co., Norristown, Pennsylvania; 65 employees
Prentice Hall, Englewood Cliffs, NJ; 3,500 employees
Press Herald and Evening Express, Portland, Maine
Project Hope Millwood, Virginia; 100 employees
Quadram Corp., Atlanta, GA (no smoking in executive suites; smoking limited to a designated lounge)
Quakertown Free Press, Quakertown, Pennsylvania; 75 employees
Quill Corporation, Lincolnshire, Illinois; 700 employees
Raven Industries; Sioux Falls, South Dakota; 900 employees
Record, Meriden, Connecticut
Riviera Motors Portland, Oregon; 650 employees
Santa Monica College, CA,
Service Merchandise Co., Nashville, TN
Shoney's Inc., Nashville, TN, (employees may smoke only in break room, no-smoking areas for customers)
South Central Bell Telephone Co., Birmingham, AL
Stanley Works World Headquarters, New Britain, Connecticut; 200 employees
Stony Brook, State University
Stride-Rite Shoe Co. Cambridge, Massachusetts
Office of the Surgeon General and Office of International Health, U.S. Dept. of Health and Human Services, Rockville, Maryland

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Smoke-Free Companies, Except for Certain Lounges, Cafeteria Areas (cont.):

Texas Instruments, Dallas, TX, throughout U.S. (since 12/31/86)
Tip Top Printing Co. Daytona Beach, Florida; 40 employees
Unigard Insurance Group, Seattle, Washington; 1,600 employees
U.S. Post Office, Tallahassee, Florida
Verx Corp., Madison, WI, (As of March 1, 1988 only in smoking lounge)
Washington Federal Savings and Loan Corp., Seattle, Washington; 200 employees
WCAL/WCAL-FM, Northfield, Minnesota
Westlake Hospital, Melrose Park, Illinois; 1,200 employees

Entirely Smoke-Free Workplaces:

The Aerobics Activity Center, Dallas, Texas; 300 employees (effective since opening in 1972)
Advanced Micro Devices Inc., Austin, Texas; 2,200 employees (effective Jan. 2, 1989, encourages smoke cessation classes)
Aid Association for Lutherans, Appleton, Wisconsin (effective 5/87)
Air France, (Washington Post 9/17/89 p. F1)
Alaska Airlines, Seattle, WA; (making first class cabins on its aircraft non-smoking beginning Oct. 2)
Allentown Health Bureau, Allentown, Pennsylvania (since 1985)
Allstate Insurance Co., 5,8000 buildings and agent offices nationwide, (8/1/88)
American Heart Association National Center, Dallas, Texas (no smoking allowed anywhere on property)
American Lung Association, New York, New York and affiliates nationwide
American State Insurance Company, Indianapolis (are not allowed to smoke on premises; have "no smoking" signs posted in their open air garage)
Anderson's China Shop, Minneapolis, Minnesota (effective since 1982)
Austad Co., Sioux Falls, South Dakota, 180 employees (effective since 1963)
Benchmark Graphics, Plymouth, Minnesota (effective approx. 1980)
Joan Eastman Bennett Property Designs, Summit, New Jersey; 25 employees
Benton, Arkansas, schools ban all tobacco use on school property
Bethel College Seminary, St. Paul, Minnesota (unwritten policy)
Billy Graham Associates, Minneapolis, Minnesota; 300 employees (since approx. 1957 beginning of company)
Blue Cross and Blue Shield Topeka, Kansas and 15 other : 1,260 employees (effective 1/1/87)
Blackwood/Formall Corp., Knoxville, Tennessee; 50 employees
Blue Earth Hospital, MN (Employees may not smoke at all)
Blue Shield, Camp Hill, PA (no smoking anywhere on complex; 1/4/88)

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Entirely Smoke-Free Workplaces (cont.):

Allied Van Lines, Naperville, IL (12/88)
Arens Control Inc., Evanston, IL (total ban)
Boyd Coffee Co., Portland, Oregon; 250 employees (in effect since approx. 1979)
British Columbia Hydro and Power Authority, Vancouver, Canada (12/1/86)
Campbell Soup Co.,
Cary Cuisine, Richmond, VA; Bruning, IL (10/1/88)
Ceder Hill Landscaping, Somerset, New Jersey (approx. since 1972)
Center for Science in the Public Interest, Washington, D.C. (since 1971)
Chapel View Care Center, Hopkins, Minnesota (since approx. 1984)
Charlotte Presbyterian Hospital; smoking not allowed by staff patient's or visitors, only exception: patients in private rooms with doctors consent (effective 11/17/88)
Christie's, Richmond, VA
CIGNA Health Plan of Arizona, Phoenix, Arizona, 1,800 employees (at least since 1985)
The Cleveland Clinic Foundation, Cleveland, Ohio, (effective Jan. 1, 1989)
Cognex Corp., Needham, MA (35 employees)
C&P Telephone of West Virginia, (instituted a smoking ban 10/1/89)
The Commercial Appeal, Memphis, TN; 200 employees, (2/1/88)
Dallas-Fort Worth International Airport, Air Traffic Controllers (Radar Room)
Delta Airlines, (Wall Street Journal, 8/15/89 p.A1)
Eastern Airlines, (will ban smoking 2/25 on all U.S., Caribbean, Canada, Mexico flights)
Enron Corp. smoking banned in its downtown office (approx. 10/27/89)
Fairfax County Jail
Federal Express
Ford Motor Co. (effective 1/90)
GE Capital Corp., (banned *smoking* from its office on Executive Center Drive)
General Health, Inc., Washington, D.C., 50 employees (since approx. 1972-beginning of business)
Goodyear (runs and promotes smoking cessation clinics)
Gold Bond Building Products, Charlotte, NC (encourages cessation; effective since 9/1/87)
Grace Place, Richmond, VA
Group Health Cooperative, Seattle, Washington; 6,000 employees (in effect since April, 1985)
Grumman, Suffolk, NY (in effect since approx. 1986)
Hallmark Cards Inc., KC (beginning 7/1/90)
Hamburger Hamlet, Washington, D.C. (first restaurant in D.C.)(since 1982)
Harpoon Realty, Sag Harbor, New York (in effect since approx. 1980)
Hinsdale Hospital, Hinsdale, Illinois; 2,200 employees (since approx. 1982)
Holden, Massachusetts, Police Department (since approx. 1985)
Holiday Corporation
Hospital Corporation of America (ban in all corporate headquarters)
I Can't Believe It's Yogurt!, Richmond, VA
Indian Health Service, 47 hospitals and 300 clinics in 25 states
Independent Press, New Providence, New Jersey
Irvine Co., (effective 10/89)
Janesville, Wisconsin, Fire Department (since approx. 1985)
Journal, Salina, Kansas; 110 employees (since approx. 1984)
Kansas Gas & Electric Co., Wichita, Kansas, and elsewhere; 2,200 employees (effective 1/88)
King County Detention Center, Seattle, Washington (since approx. 8/89)

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Entirely Smoke-Free Workplaces (cont.):

LA Airport (no smoking for all air traffic controllers)
Lincoln National Corp., Fort Wayne, Indiana; 3,000 employees (since 4/85)
Lyle Stuart, Inc., Seacaucus, New Jersey; 40 employees (since approx. 1974)
Metro State College
Mercer County healthcare facilities; 9/1/89
Merck & Co. Inc., Rahway NJ; 1400 employees
Memorial Hospital, Chattanooga, TN
Microwave Filter Co.; East Syracuse, New York; 120 employees (fires anyone who gets caught since 9/85)
Missouri Social Services Dept., Health Dept.; 7,600 employees (effective January 1988 in all offices)
Moselle Insurance Inc., Los Angeles, California (in effect more than 3 years)
MPD Printing Summit, New Jersey; 20 employees (in effect since beginning approx. 1976)
New England Memorial Hospital Stoneham, Massachusetts 1,400 employees (since approx. 1986)
New Jersey Group Against Smoking Pollution, Summit, NJ
New Jersey Hospital Association (NJHA), Princeton, NJ; (9/1/89)
Newport Daily News, Newport, RI; 60 employees (since approx. 1984)
Non-Smokers Inn, Dallas, Texas; 1st hotel w/ nonsmoking rooms (since 1973)
Northwestern Bell Telephone Co., Omaha, Nebraska; 12,000 employees in Iowa, Minnesota, Nebraska, North and South Dakota (effective 1/1/87)
Nutrition World, Edina, Minnesota (since opening)
Oracle Corp., Bethesda, Maryland; 30 employees
Oregon Health Sciences University, Portland, OR
The Other Cafe (Comedy Club), San Francisco, CA (2/1/88)
Pacific Northwest Bell, Washington, Oregon, Idaho; 15,000 employees
Palm Harbor Homes, Inc., Austin, TX (May 3, 1988)
Park Nicollet Medical Center, Minneapolis, Minnesota; 1,900 employees (since 1/1/86)
Ponderosa Hotel-Casino, Reno, NV
Prince George's County, MD; County Administration Building, Largo Government Services Building, and all health department offices and treatment sites (2/14/88)
Provident Indemnity Life Insurance Co., Norristown, Pennsylvania; 100 employees (no smoking allowed anywhere on property since 1982)
Quin-T Corp., Tilton, New Hampshire; 65 employees
Radar Electric Co., Seattle and Spokane, Washington, and Portland, Oregon (since beginning 1962)
The Respiratory Health Association, Paramus, New Jersey (since beginning in 1969)
Rodale Press, Emmaus, Pennsylvania; 850 employees (since approx. 1982)
Rogue Valley Medical Center, Medford, OR
Rustoleum Corp., Vernon Hills and Evanston, Illinois, and Hagerstown, Maryland; 1985

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Entirely Smoke-Free Workplaces (cont.):

Salina Family Physicians, Salina, Kansas (since 1977)
Salina Journal, Salina, KS (prohibits smoking by all 104 employees; 80% are smokers); (since approx. 1983)
Satellite Syndicated Systems, Inc., Tulsa, Oklahoma, and elsewhere in U.S.A. 200 employees (since approx. 1985)
Slack, Inc., Thorofare, New Jersey; 180 employees (since approx. 1985)
Smarte Carte, Inc., White Bear Lake, Minnesota; 50 employees (no smoking in building or on grounds); (since 1986)
Spenco Medical Corp., Waco, Texas; 400 employees (since 1974)
St. Cloud Hospital, St. Cloud, MN, (smoking cessation classes), 11/87
Sullivan, Higdon & Sink, Wichita, Kansas; 50 employees (since 1971)
Surrogate Hostess, Seattle, Washington; 40 employees (no smoking by employees and customers); (since 1974)
Swing Insurance Agency, Woodbury, New Jersey; 12 employees (at least 1986)
Tanglewood Ordinary, Richmond, VA
Temple University, Philadelphia, Pennsylvania; (since 1990)
The Ann Arbor News, Ann Arbor, MI (total ban of 200 employees); (since 9/86)
Town Crier, Sudbury, Massachusetts; 40 employees (not official, just understood)
Union Mutual Health Insurance Co., Portland, Maine; 3,700 employees
United Guardian Corp., Long Island, NY (since approx. 1985)
University of Minnesota, Division of Epidemiology, Minneapolis, Minnesota; 500 employees (since 1986)
University of Rochester, Medical Center, Rochester, NY; (effective 1/90)
USGypsum Corp., IL (effective 4/89)
U.S. Health Care, Blue Bell, Pennsylvania; 800 employees (at least since 1985)
US West, Albuquerque, New Mexico (since 1989)
US West Communications Inc., CO, MT, ID, WY, UT, NM, and AZ; (since 1989)
Vanguard Electronic Tool Co., Seattle, Washington; 100 employees
Veterans Administration, Pennsylvania; San Diego, CA; both patient and employee smoking will be banned in all outpatient clinics and all acute-care sections (effective approx. mid 1989)
Vie de France, Richmond, VA
Virgin Atlantic Airways, NJ; (since 1990)
Walter Reade Theaters, New York, NY (total ban)
Wendy's Old Fashioned Hamburgers, VA
Western Sizzlin Steak House, VA
WRNJ, Hackettstown, New Jersey; 20 employees (since 1977)
Yale-New Haven Hospital/Hospital of St. Raphael; 8,000 employees (since 1977)
Zycad, Inc., Arden Hills, Minnesota; 230 employees (since 1985)
Zytec Corp., Eden Prairie, Minnesota; 100 employees (since 1985)

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Employers Who Hire Only Nonsmokers:

Adrian Construction Co., Inc., Dallas, Texas (preference to nonsmokers)
Alexandria, Virginia, Fire Department; 180 employees (recently extended to police and sheriffs)
Anderson's China Shop; Minneapolis, Minnesota
Arlington County, Virginia; fire-fighters and police
Austad Co., Sioux Falls, South Dakota; 180 employees
Bancroft Fire Protection District (will not hire smokers)
Joan Eastman Bennett Property Designs, Summit, New Jersey
Black Hills Hospital, Olympia, Washington
Blue Cross and Blue Shield, Charleston, West Virginia; 760 employees
(current employees who smoke 2 won't be required to quit)
Cardinal Industries, Inc., Sanford, FL
Center for Science in the Public Interest, Washington, D.C.
Dean Equipment and Furniture Co., Inc., Fairfield, New Jersey
Fairfax County, Virginia, firefighters and police
Fortunoff, New York, New York
Glaxo, Inc., Raleigh, NC
Hinsdale Hospital, Hinsdale, Illinois; 2,200 employees (preference to nonsmokers)
Holden, Massachusetts, Police Department
Independent Press, New Providence, New Jersey
Janesville, Wisconsin Fire Department
Johns-Manville, Denver, Colorado, and Manville, New Jersey; 8,000 employees
Litho Industries, Raleigh, NC
Manteca, California, Police Department and Fire Department
Midwest City, Oklahoma, Fire Department
MSI Insurance Co., Arden Hills, Minnesota; 800 employees
New Brunswick Scientific Co., Inc., Edison, New Jersey; 400 employees
New Jersey Group Against Smoking Pollution; Summit, New Jersey
Non-Smokers Inn, Dallas, Texas
Norman, Oklahoma, Fire Department
Northern Life Insurance Co., Seattle, Washington; 200 employees
Oklahoma City, Oklahoma, Fire Department
Park Nicollet Medical Center, Minneapolis, Minnesota; 1,150 employees
(preference to nonsmokers)
Pro-Tec, Bellevue, Washington
Quin-T Corp., Tilton, New Hampshire; 65 employees
Radar Electric, Seattle and Spokane, Washington, and Portland, Oregon
The Respiratory Health Association, Paramus, New Jersey
Riviera Motors, Portland, Oregon; 650 employees
Salem, Oregon Fire Department
Shaker Heights, Ohio, Fire Department; 70 employees
Spenco Medical Corp., Waco, Texas; 400 employees

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Employers Who Hire Only Nonsmokers (cont.):

Bancroft Fire Protection District
Cardinal Industries, Inc., Sanford, FL
Sullivan, Higdon & Sink, Wichita, Kansas; 50 employees
Swing Insurance Agency, Woodbury, New Jersey; 12 employees
Turner Broadcasting System
USG Corporation, Chicago and all plants (total ban at work and at home,
effective 1/12/87)
Vanguard Electronic Tool Co., Seattle, Washington; 100 employees
Wayne Green Enterprises, Peterborough, New Hampshire
Westlake Community Hospital, Melrose Park, Illinois; 1,200 employees
Westminster Office Machines Inc., Lake Bluff, Illinois
Wichita, Kansas, Fire Department, 400 employees

Employers Who Provide Bonuses for Nonsmokers or for Smokers Who Quit:

Aluminair Standard Glass Co., Gallup, New Mexico
American Hoechst Specialty Products Group, Somerville, New Jersey
Bonnie Bell Cosmetics Co., Lakewood, Ohio; 250 employees
Chicago Metallic Products, Inc. 750 employees \$500 per quitter per year)
City Federal Savings & Loan; Birmingham, Alabama; 300 employees
Cleveland Pneumatic, Cleveland, Ohio
Cybertek Computer Products, Inc., Los Angeles, California; 150 employees
G.W. Dahl Co., Inc., Bristol, Rhode Island
Deluxe Check Printers, Inc., Clifton, New Jersey; 300 employees
Dollar Inn Albuquerque, New Mexico
Dow Chemical Co., Texas Division, Freeport, Texas
Dyco Petroleum, Minneapolis, Minnesota, and Tulsa, Oklahoma; 200 employees
Farley Industries (provides fitness facilities, seminars, health screenings
& bonuses in order to help smokers quit; effective 9/1/89)
Ebsco Industries, Red Bank, New Jersey
Flexcon Co., Spencer, Massachusetts; 500 employees (\$30/mth to quitters,
\$15/mth to those who reduce consumption)
General Services Life Insurance Co.; gives smokers nonsmokers's rates,
if smokers promise they'll quit within 3 years (since 11/88)
Hartford Insurance Group, Hartford, Connecticut
Intermatic, Inc., Spring Grove, Illinois
J.N. Mills Co. Inc., Southwest Harbor, ME, (\$500 to employees who quit for
a year)
Johnson & Johnson; New Brunswick, New Jersey
Journal, Salina, Kansas; 110 employees
Knight Publishing (Charlotte News, The Observer) (encourages employees to quit)
Leslie Manufacturing & Supply Co., Minneapolis, Minnesota
Lowenstein Supply Corp., Vineland, New Jersey; 25 employees

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Employers Who Provide Bonuses for Nonsmokers or for Smokers Who Quit:

Mahoning Culvert Co., Canfield, Ohio; 36 employees
Major Pool Equipment Co., Clifton, New Jersey
Martin Engineering, Neponset, IL (current employees receive \$1,000 for quitting; new hires must sign no-smoking pledge)
Merle Norman Cosmetic Co., Los Angeles, California; 1,300 employees
Mesa Petroleum, Amarillo, TX (cessation bonus)
Microwave Filter Co., East Syracuse, New York; 120 employees
MSI Insurance, Arden Hills, Minnesota; 800 employees
Neon Electric Corp., Houston, Texas
New York Telephone (smoking cessation classes, 80,000 employees)
Noweco, Spokane, Washington
Park Nicollet Medical Center, Minneapolis, Minnesota; 1,150 employees
Perkin-Elmer Corporation, Physical Electronics Division, Eden Prairie, Minnesota; 400 employees
Pioneer Plastics, Auburn, Maine
Provident Indemnity Life Insurance Co., Norristown, Pennsylvania; 100 employees
Radar Electric, Seattle and Spokane, Washington, and Portland, Oregon
Rhulen Agency, Monticello, New York
Rodale Press, Emmaus, Pennsylvania; 350 employees
Salina Family Physicians, Salina, Kansas (dental insurance for nonsmoking employees only)
Sentry Insurance Co., Stevens Point, Wisconsin; 10,000 employees
Slack, Inc., Thorofare, New Jersey; 180 employees
Speedcall Corp., Hayward, California
Tenneco (cessation program)
Westminster Office Machines, Lake Bluff, Illinois

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APPENDIX B

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Alabama

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ALABAMA

- 7,062 jobs through core and supplier sectors
- 26,197 jobs through consumer expenditures on tobacco products
- 33,259 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 16.5 cents per pack
- 864,000 smokers pay \$148.5 million extra state and federal taxes
 - The federal government gets \$73.1 million of this amount
 - The state government gets \$75.4 million
- Alabama collects \$27.4 million in sales tax revenue from cigarettes
- At current rates, 27.7% of the total price of a pack of cigarettes in Alabama is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,149 jobs could be lost in the state
 - 245 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 904 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,297 jobs could be lost in the state
 - 490 jobs would be lost in the core and supplier sector
 - The man-hour equivalent of another 1,807 jobs could be lost due to the expenditure-induced impact
- State would lose over \$5.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Alaska

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ALASKA

- 929 jobs through core and supplier sectors
- 1,985 jobs through consumer expenditures on tobacco products
- 2,914 total tobacco related jobs

TAXES

- State Excise Tax Rate is 29 cents per pack
- 101,000 smokers pay \$25.3 million extra state and federal taxes
 - The federal government gets \$9 million of this amount
 - The state government also gets \$16.3 million
- Since the federal cigarette tax was doubled in January 1983, Alaska state cigarette taxes have increased 262.5%.
- At current rate, 26.5% of the total price of a pack of cigarettes in Alaska is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 82 jobs could be lost in the state
 - 26 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 56 jobs could be lost due to expenditure-induced impact
- State would lose over \$460,800 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 165 jobs could be lost in the state
 - 53 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 112 jobs could be lost due to expenditure-induced impact
- State would lose over \$921,700 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Arizona

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ARIZONA

- 5,211 jobs through core and supplier sectors
- 13,274 jobs through consumer expenditures
- 18,485 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 15 cents per pack
- 659,000 smokers pay \$105.2 million extra state and federal taxes
 - The federal government gets \$54.3 million of this amount
 - The state government gets \$50.9 million
- Arizona collects \$23.8 million in sales tax revenues from cigarettes
- At current rates, 29.2% of the total price of a pack of cigarettes in Arizona is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 683 jobs could be lost in the state
 - 192 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 491 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,365 jobs could be lost in the state
 - 385 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 980 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Arkansas

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ARKANSAS

- 4,076 jobs through core and supplier sectors
- 11,781 jobs through consumer expenditures on tobacco products
- 15,857 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 21 cents per pack
- 509,000 smokers pay \$105.4 million extra state and federal taxes
 - The federal government gets \$45.6 million of this amount
 - The state government gets \$59.8 million
- Arkansas collects \$17.1 million in sales tax revenues from cigarettes
- At current rates, 30.5% of the total price of a pack of cigarettes in Arkansas is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 540 jobs could be lost in the state
 - 140 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 400 jobs could be lost due to expenditure-induced impact
- State would lose over \$2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,080 jobs could be lost in the state
 - 279 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 801 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

California

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN CALIFORNIA

- 45,084 jobs through core and supplier sectors
- 85,375 jobs through consumer expenditures on tobacco products
- 130,459 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 35 cents per pack
- 5,668,000 smokers pay \$876.3 million extra state and federal taxes
 - The federal government gets \$372.3 million of this amount
 - The state government gets \$504 million
- California collects \$188.8 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, California state cigarette taxes have increased 250%
- At current rates, 37.4% of the total price of a pack of cigarettes in California is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,842 jobs could be lost in the state
 - 1,327 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,515 jobs could be lost due to expenditure-induced impact
- State would lose over \$24 million in excise tax revenue*

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,683 jobs could be lost in the state
 - 2,655 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 5,028 jobs could be lost due to expenditure-induced impact
- State would lose over \$48 million in excise tax revenue*

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Colorado

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN COLORADO

- 6,166 jobs through core and supplier sectors
- 15,023 jobs through consumer expenditures on tobacco products
- 21,189 jobs total tobacco-related jobs

TAXES

- State Excise Tax Rate is 20 cents per pack
- 697,000 smokers pay \$108 million extra state and federal taxes
 - The federal government gets \$48 million of this amount
 - The state government gets \$60 million
- At current rates, 24.2% of the total price of a pack of cigarettes in Colorado is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 683 jobs could be lost in the state
 - 200 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 483 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,365 jobs could be lost in the state
 - 398 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 967 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.9 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Connecticut

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN CONNECTICUT

- 13,332 jobs through core and supplier sectors
- 18,178 jobs through consumer expenditures on tobacco products
- 31,510 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 40 cents per pack
- 722,000 smokers pay \$150.1 million extra state and federal taxes
 - The federal government gets \$52.5 million of this amount
 - The state government gets \$97.6 million
- Connecticut collects \$37.6 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Connecticut state cigarette taxes have increased 90.5%.
- At current rates, 40.4% of the total price of a pack of cigarettes in Connecticut is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 884 jobs could be lost in the state
 - 373 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 511 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.7 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,769 jobs could be lost in the state
 - 747 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,022 jobs could be lost due to expenditure-induced impact
- State would lose over \$7.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Delaware

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN DELAWARE

- 1,178 jobs through core and supplier sectors
- 4,838 jobs through consumer expenditures on tobacco products
- 6,016 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 14 cents per pack
- 137,000 smokers pay \$25.8 million extra state and federal taxes
 - The federal government gets \$13.8 million of this amount
 - The state government gets almost \$12 million
- At current rates, 21.4% of the total price of a pack of cigarettes in Delaware is tax

THE IMPACT OF AN INCREASE OF THE FEDERAL EXCISE TAX

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 206 jobs could be lost in the state
 - 40 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 166 jobs could be lost through expenditure-induced impact
- State would lose over \$412,940 in excise tax revenue

16 Cent Increase (from 16 to 32 cents)

- Total of 413 jobs could be lost in the state
 - 81 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 332 jobs could be lost due to expenditure-induced impact
- State would lose over \$825,900 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Florida

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN FLORIDA

- 24,982 jobs through core and supplier sectors
- 70,073 jobs through consumer expenditures on tobacco products
- 95,055 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 24 cents per pack
- 2,540,000 smokers pay \$569.3 million extra state and federal taxes
 - The federal government gets \$227.7 million of this amount
 - The state government gets \$341.6 million
- Florida collects \$128.1 million in sales tax revenue from cigarettes
- At current rates, 32.7% of the total price of a pack of cigarettes in Florida is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,042 jobs could be lost in the state
 - 800 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,242 jobs could be lost due to expenditure-induced impact
- State would lose over \$10.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 6,084 jobs could be lost in the state
 - 1,600 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 4,484 jobs could be lost due to expenditure-induced impact
- State would lose over \$21.9 million in excise tax revenue

Sources: The Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Georgia

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN GEORGIA

- 27,715 jobs through core and supplier sectors
- 36,888 jobs through consumer expenditures on tobacco products
- 64,603 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 12 cents per pack
- 1,262,000 smokers pay \$215.2 million extra state and federal taxes
 - The federal government gets over \$123 million of this amount
 - The state government gets over \$92.2 million
- Georgia collects \$30.7 million in sales tax revenue from cigarettes
- At current rates, 24.2% of the total price of a pack of cigarettes in Georgia is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 2,349 jobs could be lost in the state
 - 1,007 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,342 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 4,698 jobs could be lost in the state
 - 2,015 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,683 jobs could be lost due to expenditure-induced impact
- State would lose over \$6.7 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Hawaii

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN HAWAII

- 1,739 jobs through core and supplier sectors
- 2,022 jobs through consumer expenditures on tobacco products
- 3,761 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 40%
- 226,000 smokers pay \$32.9 million extra state and federal taxes
 - The federal government gets \$10.1 million of this amount
 - The state government gets over \$22.8 million
- Hawaii collects \$4.4 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Hawaii state cigarette taxes have increased 71.4%.
- At current rates, 35.1% of the total price of a pack of cigarettes in Hawaii is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 107 jobs could be lost in the state
 - 50 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 57 jobs could be lost due to expenditure-induced impact
- State would lose over \$652,100 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 215 jobs could be lost in the state
 - 99 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 116 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.3 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Idaho

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN IDAHO

- 1,553 jobs through core and supplier sectors
- 4,728 jobs through consumer expenditures on tobacco products
- 6,281 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 204,000 smokers pay \$27.9 million extra state and federal taxes
 - The federal government gets \$13.1 million of this amount
 - The state government gets \$14.8 million
- Idaho collects \$5.7 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Idaho state cigarette taxes have increased 97.8%
- At current rates, 29.1% of the total price of a pack of cigarettes in Idaho is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 214 jobs could be lost in the state
 - 54 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 160 jobs could be lost due to expenditure-induced impact
- State would lose over \$503,100 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 428 jobs could be lost in the state
 - 108 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 320 jobs could be lost due to expenditure-induced impact
- State would lose over \$1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Illinois

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ILLINOIS

- 28,835 jobs through core and supplier sectors
- 79,511 jobs through consumer expenditures on tobacco products
- 108,346 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 30 cents per pack
- 2,526,000 smokers pay \$576.6 million extra state and federal taxes
 - The federal government gets \$200.6 million of this amount
 - The state government gets \$376 million
- Illinois collects \$112.8 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Illinois state cigarette taxes have increased 150%
- At current rates, 37.4% of the total price of a pack of cigarettes in Illinois is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,538 jobs could be lost in the state
 - 942 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,596 jobs could be lost due to expenditure-induced impact
- State would lose over \$12.3 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,076 jobs could be lost in the state
 - 1,883 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 5,193 jobs could be lost due to expenditure-induced impact
- State would lose over \$24.6 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Indiana

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN INDIANA

- 11,257 jobs through core and supplier sectors
- 35,071 jobs through consumer expenditures on tobacco products
- 46,328 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 15.5 cents per pack
- 1,196,000 smokers pay \$228.2 billion extra state and federal taxes
 - The federal government gets \$115.9 million of this amount
 - The state government gets \$112.3 million
- Indiana collects \$50.7 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, Indiana state cigarette taxes have increased 47.6%.
- At current rates, 29.6% of the total price of a pack of cigarettes in Indiana is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,711 jobs could be lost in the state
 - 416 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,295 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 3,421 jobs could be lost in the state
 - 831 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,590 jobs could be lost due to expenditure-induced impact
- State would lose over \$8.3 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Iowa

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN IOWA

- 5,600 jobs through core and supplier sectors
- 16,495 jobs through consumer expenditures on tobacco products
- 22,095 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 31 cents per pack, effective 3/88
- 638,000 smokers pay \$126.3 million extra state and federal taxes
 - The federal government gets \$43 million of this amount
 - The state government gets \$83.3 million
- Iowa collects \$16.1 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Iowa state cigarette taxes have increased 72.2%
- At current rates, 35.6% of the total price of a pack of cigarettes in Iowa is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 712 jobs could be lost in the state
 - 181 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 531 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.7 million in excise tax revenues

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,424 jobs could be lost in the state
 - 361 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,063 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.4 million in excise tax revenues

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Kansas

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN KANSAS

- 4,724 jobs through core and supplier sectors
- 14,962 jobs through consumer expenditures on tobacco products
- 19,686 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 24 cents per pack
- 536,000 smokers pay \$96.7 million extra state and federal taxes
 - The federal government gets \$38.7 million of this amount
 - The state government gets \$58 million
- Kansas collects \$14.5 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, Kansas state cigarette taxes have increased 118%
- At current rates, 31.7% of the total price of a pack of cigarettes in Kansas is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 652 jobs could be lost in the state
 - 156 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 496 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,303 jobs could be lost in the state
 - 310 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 993 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Kentucky

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN KENTUCKY

- 57,022 jobs through core and supplier sectors
- 78,066 jobs through consumer expenditures on tobacco products
- 135,088 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 3 cents per pack
- 808,000 smokers pay \$123 million extra state and federal taxes
 - The federal government gets \$103.6 million of this amount
 - The state government gets \$19.4 million
- Kentucky collects \$38.9 million in sales tax revenue from cigarettes
- At current rates, 21.7% of the total price of a pack of cigarettes in Kentucky is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 5,638 jobs could be lost in the state
 - 2,380 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 3,258 jobs could be lost due to expenditure-induced impact
- State would lose over \$810,800 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 11,277 jobs could be lost in the state
 - 4,760 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 6,517 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.6 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Louisiana

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN LOUISIANA

- 8,388 jobs through core and supplier sectors
- 16,255 jobs through consumer expenditures on tobacco products
- 24,643 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 16 cents per pack
- 932,000 smokers pay almost \$143.8 million extra state and federal taxes
 - The federal government gets \$71.9 million of this amount
 - The state government gets \$71.9 million
- Louisiana collects \$27 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Louisiana state cigarette taxes have increased 45.5%.
- At current rates, 26.6% of the total price of a pack of cigarettes is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 827 jobs could be lost in the state
 - 281 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 541 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,654 jobs could be lost in the state
 - 562 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,092 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Maine

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MAINE

- 2,188 jobs through core and supplier sectors
- 5,475 jobs through consumer expenditures on tobacco products
- 7,633 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 31 cents per pack
- 255,000 smokers pay \$69.3 million extra state and federal taxes
 - The federal government gets \$ 23.6 million of this amount
 - The state government gets \$ 45.7 million
- Maine collects \$11.8 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Maine state cigarette taxes have increased 93.8%
- At current rates, 33.7% of the total price of a pack of cigarettes in Maine is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 226 jobs could be lost in the state
 - 64 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 162 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 451 jobs could be lost in the state
 - 130 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 321 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.7 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Maryland

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MARYLAND

- 11,222 jobs through core and supplier sectors
- 18,500 jobs through consumer expenditures on tobacco products
- 29,722 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 13 cents per pack
- 979,000 smokers pay \$146.8 million extra state and federal taxes
 - The federal government gets \$ 81 million of this amount
 - The state government gets \$ 65.8 million
- At current rates, 22.1% of the total price of a pack of cigarettes in Maryland is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,089 jobs could be lost in the state
 - 410 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 678 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,178 jobs could be lost in the state
 - 822 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,356 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Massachusetts

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MASSACHUSETTS

- 13,614 jobs through core and supplier sectors
- 33,263 jobs through consumer expenditures on tobacco products
- 46,877 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 26 cents per pack
- 1,330,000 smokers pay \$258.7 million extra state and federal taxes
 - The federal government gets \$ 98.6 million of this amount
 - The state government gets \$160.1 million
- Massachusetts collects \$49.3 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Massachusetts state cigarette taxes have increased 23.8%
- At current rates, 33.1% of the total price of a pack of cigarettes in Massachusetts is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,490 jobs could be lost in the state
 - 433 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,057 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,980 jobs could be lost in the state
 - 865 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,115 jobs could be lost due to expenditure-induced impact
- State would lose over \$10.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Michigan

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MICHIGAN

- 14,852 jobs through core and supplier sectors
- 57,235 jobs through consumer expenditures on tobacco products
- 72,087 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 25 cents per pack, effective 1/88
- 1,977,000 smokers pay \$446.4 million extra state and federal taxes
 - The federal government gets \$174.2 million of this amount
 - The state government gets \$272.2 million
- Michigan collects \$65.3 million in sales tax revenue from cigarettes
- At current rates, 33.1% of the total price of a pack of cigarettes in Michigan is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 2,437 jobs could be lost in the state
 - 503 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,934 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 4,873 jobs could be lost in the state
 - 1,006 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 3,867 jobs could be lost due to expenditure-induced impact
- State would lose over \$18.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Minnesota

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MINNESOTA

- 8,952 jobs through core and supplier sectors
- 24,188 jobs through consumer expenditures on tobacco products
- 33,140 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 38 cents per pack
- 911,000 smokers pay 215.7 million extra state and federal taxes
 - The federal government gets \$63.9 million of this amount
 - The state government gets \$151.8 million
- Minnesota collects \$40 million in sales tax revenue from cigarettes
- Since the Federal Excise Tax was doubled in 1983, Minnesota state cigarette taxes have increased 111.1%
- At current rates, 40% of the total price of a pack of cigarettes in Minnesota is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 994 jobs could be lost in the state
 - 268 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 726 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,988 jobs could be lost in the state
 - 537 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,451 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Mississippi

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MISSISSIPPI

- 4,181 jobs through core and supplier sectors
- 17,086 jobs through consumer expenditures on tobacco products
- 21,267 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 540,000 smokers pay \$98.2 million extra state and federal taxes
 - The federal government gets \$46.2 million of this amount
 - The state government gets \$52.0 million
- Mississippi collects \$23.1 million in sales tax revenue from cigarettes
- Since the federal excise tax was doubled in 1983, Mississippi state cigarette taxes have increased 63.6%
- At current rates, 30.4% of the total price of a pack of cigarettes in Mississippi is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 740 jobs could be lost in the state
 - 145 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 595 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.8 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,479 jobs could be lost in the state
 - 290 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,189 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.6 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Missouri

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MISSOURI

- 10,176 jobs through core and supplier sectors
- 25,701 jobs through consumer expenditures on tobacco products
- 35,877 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 13 cents per pack
- 1,108,000 smokers pay \$185.4 million extra state and federal taxes
 - The federal government gets \$102.3 million of this amount
 - The state government gets \$83.1 million
- Missouri collects \$32 million in sales tax revenues from cigarettes
- At current rates, 26.6% of the total price of a pack of cigarettes in Missouri is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,345 jobs could be lost in the state
 - 382 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 963 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,691 could be lost in the state
 - 764 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,927 jobs could be lost due to expenditure-induced impact
- State would lose over \$6.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Montana

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MONTANA

- 1,449 jobs through core and supplier sectors
- 3,306 jobs through consumer expenditures on tobacco products
- 4,755 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 2,648,000 smokers pay \$24 million extra state and federal taxes
 - The federal government gets \$11.3 million of this amount
 - The state government gets \$12.7 million
- Since the federal excise tax increase in 1983, Montana state cigarette taxes have increased 50%
- At current rates, 24.3% of the total price of a pack of cigarettes in Montana is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 163 jobs could be lost in the state
 - 50 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 113 jobs could be lost due to expenditure-induced impact
- State would lose over \$436,300 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 326 jobs could be lost in the state
 - 101 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 225 jobs could be lost due to expenditure-induced impact
- State would lose over \$872,600 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Nebraska

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEBRASKA

- 3,353 jobs through core and supplier sectors
- 5,458 jobs through consumer expenditures on tobacco products
- 8,811 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 27 cents per pack
- 349,000 smokers pay \$65.1 million extra state and federal taxes
 - The federal government gets \$24.2 million of this amount
 - The state government gets \$40.9 million
- Nebraska collects \$9.1 million in sales tax revenues from cigarettes
- Since the federal excise tax was doubled in 1983, Nebraska state cigarette taxes have increased 50%
- At current rates, 34.3% of the total price of a pack of cigarettes in Nebraska is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 296 jobs could be lost in the state
 - 113 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 183 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 592 jobs could be lost in the state
 - 226 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 366 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Nevada

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEVADA

- 1,897 jobs through core and supplier sectors
- 2,416 jobs through consumer expenditures on tobacco products
- 4,313 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 35 cents per pack
- 203,000 smokers pay \$75.3 million extra state and federal taxes
 - The federal government gets \$23.6 million of this amount
 - The state government gets over \$51.7 million
- Nevada collects \$14.8 million in sales tax revenues from cigarettes
- Since the federal excise tax was doubled in 1983, Nevada state cigarette taxes have increased 250%
- At current rates, 35.3% of the total price of a pack of cigarettes in Nevada is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 120 jobs could be lost in the state
 - 53 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 67 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 239 jobs could be lost in the state
 - 105 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 134 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.9 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

New Hampshire

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW HAMPSHIRE

- 1,934 jobs through core and supplier sectors
- 7,024 jobs through consumer expenditures on tobacco products
- 8,958 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 25 cents per pack
- 217,000 smokers pay \$77.9 million extra state and federal taxes
 - The federal government gets \$30.4 million of this amount
 - The state government gets \$47.5 million
- Since the federal excise tax was doubled in 1983, New Hampshire state cigarette taxes have increased 108.3%
- At current rates, 30.4% of the total price of a pack of cigarettes in New Hampshire is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 319 jobs could be lost in the state
 - 69 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 250 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.7 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 637 jobs could be lost in the state
 - 137 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 500 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

New Jersey

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW JERSEY

- 17,725 jobs through core and supplier sectors
- 64,774 jobs through consumer expenditures on tobacco products
- 82,499 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 27 cents per pack
- 1,699,000 smokers pay \$345.5 million extra state and federal taxes
 - The federal government gets \$128.6 million of this amount
 - The state government gets \$216.9 million
 - At current rates, 28.9% of the total price of a pack of cigarettes in New Jersey is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 2,658 jobs could be lost in the state
 - 571 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,087 jobs could be lost due to expenditure-induced impact
- State would lose over \$7 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 5,315 jobs could be lost in the state
 - 1,140 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 4,175 jobs could be lost due to expenditure-induced impact
- State would lose over \$14 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

New Mexico

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW MEXICO

- 2,104 jobs through core and supplier sectors
- 3,448 jobs through consumer expenditures on tobacco products
- 5,552 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 15 cents per pack
- 296,000 smokers pay 35.5 million extra state and federal taxes
 - The federal government gets \$18.3 million of this amount
 - The state government gets \$17.2 million
- New Mexico collects \$6.9 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, New Mexico state cigarette taxes have increased 25%
- At current rates, 27.8% of the total price of a pack of cigarettes in New Mexico is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 200 jobs could be lost in the state
 - 76 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 124 jobs could be lost due to expenditure-induced impact
- State would lose over \$619,800 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 401 jobs could be lost in the state
 - 152 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 249 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

New York

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW YORK

- 45,404 jobs through core and supplier sectors
- 200,625 jobs through consumer expenditures on tobacco products
- 246,029 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 33 cents per pack
- 4,004,000 smokers pay \$706.3 million extra state and federal taxes
 - The federal government gets \$288.7 million of this amount
 - The state government gets \$417.6 million
- New York collects \$104.6 million in sales tax revenues from cigarettes
- Since the federal cigarette tax doubled in 1983, New York state cigarette taxes have increased 120%
- At current rates, 33.5% of the total price of a pack of cigarettes in New York is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 7,071 jobs could be lost in the state
 - 1,305 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 5,766 jobs could be lost due to expenditure-induced impact
- State would lose over \$17.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 14,143 jobs could be lost in the state
 - 2,609 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 11,534 jobs could be lost due to expenditure-induced impact
- State would lose over \$34.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

North Carolina

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NORTH CAROLINA

- 99,343 jobs through core and supplier sectors
- 159,147 jobs through consumer expenditures on tobacco products
- 258,490 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 2 cents per pack
- 1,370,000 smokers pay \$164.9 million extra state and federal taxes
 - The federal government gets \$146.6 million of this amount
 - The state government gets \$18.3 million
- North Carolina collects \$27.5 million in sales tax revenues from cigarettes
- At current rates, 18.1% of the total price of a pack of cigarettes in North Carolina is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 10,696 jobs could be lost in the state
 - 4,111 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 6,585 jobs could be lost due to expenditure-induced impact
- State would lose over \$758,400 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 21,392 jobs could be lost in the state
 - 8,221 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 13,171 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.5 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

North Dakota

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NORTH DAKOTA

- 1,355 jobs through core and supplier sectors
- 1,546 jobs through consumer expenditures on tobacco products
- 2,901 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 30 cents per pack
- 146,000 smokers pay over \$27.6 million extra state and federal taxes
 - The federal government gets \$9.6 million of this amount
 - The state government gets \$18 million
- North Dakota collects \$4.8 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, North Dakota state cigarette taxes have increased 150%
- At current rates, 37.5% of the total price of a pack of cigarettes in North Dakota is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 97 jobs could be lost in the state
 - 47 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 50 jobs could be lost due to expenditure-induced impact
- State would lose over \$600,000 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 193 jobs could be lost in the state
 - 93 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 100 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Ohio

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN OHIO

- 22,174 jobs through core and supplier sectors
- 84,206 jobs through consumer expenditures on tobacco products
- 106,380 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 2,362,000 smokers pay \$439.3 million extra state and federal taxes
 - The federal government gets over \$206.7 million of this amount
 - The state government gets about \$232.6 million
- Ohio collects \$90.4 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Ohio state cigarette taxes have increased 28.6%
- At current rates, 30.4% of the total price of a pack of cigarettes in Ohio is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,782 jobs could be lost in the state
 - 788 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,994 jobs could be lost due to expenditure-induced impact
- State would lose over \$8.3 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,565 jobs could be lost in the state
 - 1,577 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 5,988 jobs could be lost due to expenditure-induced impact
- State would lose over \$16.5 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Oklahoma

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN OKLAHOMA

- 5,864 jobs through core and supplier sectors
- 11,819 jobs through consumer expenditures on tobacco products
- 17,683 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 23 cents per pack
- 713,000 smokers pay \$126 million extra state and federal taxes
 - The federal government gets \$51.7 million of this amount
 - The state government gets \$74.3 million
- Oklahoma collects \$19.4 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Oklahoma state cigarette taxes have increased 27.8%
- At current rates, 30.8% of the total price of a pack of cigarettes in Oklahoma is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 581 jobs could be lost in the state
 - 193 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 388 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,163 jobs could be lost in the state
 - 388 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 775 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.9 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Oregon

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN OREGON

- 4,609 jobs through core and supplier sectors
- 17,148 jobs through consumer expenditures on tobacco products
- 21,757 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 28 cents per pack
- 590,000 smokers pay \$129.2 million extra state and federal taxes
 - The federal government gets \$47 million of this amount
 - The state government gets \$82.2 million
- Since the federal cigarette tax was doubled in 1983, Oregon state cigarette taxes have increased 47.4%
- At current rates, 28.2% of the total price of a pack of cigarettes in Oregon is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 669 jobs could be lost in the state
 - 141 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 528 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.5 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,339 jobs could be lost in the state
 - 284 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,055 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Pennsylvania

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN PENNSYLVANIA

- 28,892 jobs through core and supplier sectors
- 63,928 jobs through consumer expenditures on tobacco products
- 92,820 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 2,697,000 smokers pay 424.1 million extra state and federal taxes
 - The federal government gets \$206.4 million of this amount
 - The state government gets \$232.2 million
- Pennsylvania collects \$103.2 million in sales tax revenues from cigarettes
- At current rates, 31.6% of the total price of a pack of cigarettes in Pennsylvania is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,350 jobs could be lost in the state
 - 1,043 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,307 jobs could be lost due to expenditure-induced impact
- State would lose over \$8.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 6,700 jobs could be lost in the state
 - 2,085 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 4,614 jobs could be lost due to expenditure-induced impact
- State would lose over \$16.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Rhode Island

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN RHODE ISLAND

- 1,832 jobs through core and supplier sectors
- 4,403 jobs through consumer expenditures on tobacco products
- 6,235 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 37 cents per pack, effective 7/88
- 221,000 smokers pay \$55.5 million extra state and federal taxes
 - The federal government gets \$21.1 million of this amount
 - The state government gets \$34.4 million
- Since the federal cigarette tax was doubled in 1983, Rhode Island state cigarette taxes have increased 37%
- At current rates, 35.3% of the total price of a pack of cigarettes in Rhode Island is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 200 jobs could be lost in the state
 - 59 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 141 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 399 jobs could be lost in the state
 - 117 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 282 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.1 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

South Carolina

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN SOUTH CAROLINA

- 15,128 jobs through core and supplier sectors
- 23,795 jobs through consumer expenditures on tobacco products
- 38,923 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 7 cents per pack
- 713,000 smokers pay \$98.6 million extra state and federal taxes
 - The federal government gets \$68.6 million of this amount
 - The state government gets \$30 million
- South Carolina collects \$25.7 million in sales tax revenues from cigarettes
- At current rates, 23.2% of the total price of a pack of cigarettes in South Carolina is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,495 jobs could be lost in the state
 - 581 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 914 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,989 jobs could be lost in the state
 - 1,162 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,827 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.3 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

South Dakota

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN SOUTH DAKOTA

- 1,322 jobs through core and supplier sectors
- 1,757 jobs through consumer expenditures on tobacco products
- 3,079 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 23 cents per pack
- 150,000 smokers pay \$24.3 million extra state and federal taxes
 - The federal government gets \$10 million of this amount
 - The state government gets \$14.4 million
- South Dakota collects \$3.7 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, South Dakota state cigarette taxes have increased 53.3%
- At current rates, 32.6% of the total price of a pack of cigarettes in South Dakota is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 107 jobs could be lost in the state
 - 45 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 62 jobs could be lost due to expenditure-induced impact
- State would lose over \$499,200 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 214 jobs could be lost in the state
 - 90 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 124 jobs could be lost due to expenditure-induced impact
- State would lose over \$998,400 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Tennessee

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN TENNESSEE

- 20,450 jobs through core and supplier sectors
- 31,210 jobs through consumer expenditures on tobacco products
- 51,660 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 13 cents per pack
- 1,041,000 smokers pay \$178.9 million extra state and federal taxes
 - The federal government gets \$98.7 million of this amount
 - The state government gets \$80.2 million
- Tennessee collects \$61.7 million in sales tax revenues from cigarettes
- At current rates, 28.9% of the total price of a pack of cigarettes in Tennessee is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,837 jobs could be lost in the state
 - 727 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,100 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 3,674 jobs could be lost in the state
 - 1,455 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,219 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.7 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Texas

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN TEXAS

- 32,003 jobs through core and supplier sectors
- 78,678 jobs through consumer expenditures on tobacco products
- 110,681 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 26 cents per pack
- 3,382,000 smokers pay \$654.5 million extra state and federal taxes
 - The federal government gets \$249.3 million of this amount
 - The state government gets \$405.2 million
- Texas collects \$140.2 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Texas state cigarette taxes have increased 40.5%
- At current rates, 35.2% of the total price of a pack of cigarettes in Texas is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,664 jobs could be lost in the state
 - 1,059 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,605 jobs could be lost due to expenditure-induced impact
- State would lose over \$13.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,328 jobs could be lost in the state
 - 2,118 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 5,210 jobs could be lost due to expenditure-induced impact
- State would lose over \$26.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Utah

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN UTAH

- 2,633 jobs through core and supplier sectors
- 7,319 jobs through consumer expenditures on tobacco products
- 9,952 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 23 cents per pack
- 308,000 smokers pay \$38 million extra state and federal taxes
 - The federal government gets \$15.6 million of this amount
 - The state government gets \$22.4 million
- Utah collects \$7.8 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Utah state cigarette taxes have increased 91.7%
- At current rates, 31.8% of the total price of a pack of cigarettes in Utah is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 316 jobs could be lost in the state
 - 83 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 233 jobs could be lost due to expenditure-induced impact
- State would lose over \$712,600 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 633 jobs could be lost in the state
 - 168 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 465 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Vermont

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN VERMONT

- 997 jobs through core and supplier sectors
- 2,881 jobs through consumer expenditures on tobacco products
- 3,878 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 17 cents per pack
- 117,000 smokers pay \$22.3 million extra state and federal taxes
 - The federal government gets \$10.8 million of this amount
 - The state government gets \$11.5 million
- Vermont collects \$4.0 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, Vermont state cigarette taxes have increased 41.7%
- At current rates, 27.3% of the total price of a pack of cigarettes in Vermont is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 130 jobs could be lost in the state
 - 33 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 97 jobs could be lost due to expenditure-induced impact
- State would lose over \$385,200 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 260 jobs could be lost in the state
 - 67 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 193 jobs could be lost due to expenditure-induced impact
- State would lose over \$770,350 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.

The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Virginia

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN VIRGINIA

- 46,300 jobs through core and supplier sectors
- 86,194 jobs through consumer expenditures on tobacco products
- 132,494 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 2.5 cents per pack
- 1,262,000 smokers pay \$136.6 million extra state and federal taxes
 - The federal government gets \$118.1 million of this amount
 - The state government gets \$18.5 million
- Virginia collects \$44.3 million in sales tax revenues from cigarettes
- At current rates, 19.1% of the total price of a pack of cigarettes in Virginia is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 4,969 jobs could be lost in the state
 - 1,736 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 3,233 jobs could be lost due to expenditure-induced impact
- State would lose over \$692,250 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 9,937 jobs could be lost in the state
 - 3,472 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 6,465 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Washington

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WASHINGTON

- 7,483 jobs through core and supplier sectors
- 25,856 jobs through consumer expenditures on tobacco products
- 33,339 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 34 cents per pack
- 957,000 smokers pay \$188.6 million extra state and federal taxes
 - The federal government gets \$63.8 million of this amount
 - The state government gets \$124.8 million
- Washington collects over \$41.9 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Washington state cigarette taxes have increased 47.8%
- At current rates, 36.5% of the total price of a pack of cigarettes in Washington is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 958 jobs could be lost in the state
 - 215 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 743 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,916 jobs could be lost in the state
 - 430 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,486 jobs could be lost due to expenditure-induced impact
- State would lose over \$7.8 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL
EXCISE TAX ON CIGARETTES

Washington, D.C.

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WASHINGTON, D.C.

- 1,678 jobs through core and supplier sectors
- 2,935 jobs through consumer expenditures on tobacco products
- 4,613 total tobacco-related jobs

TAXES

- Excise Tax Rate in D.C. is 17 cents per pack
- 146,000 smokers pay \$20.8 million extra local and federal taxes
 - The federal government gets over \$10.1 million of this amount
 - The district government gets almost \$10.7 million
- Washington, D.C. collects \$5.7 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Washington, D.C. cigarette taxes have increased 30.8%
- At current rates, 29% of the total price of a pack of cigarettes in Washington, D.C. is tax

THE IMPACT OF AN INCREASE IN THE FEDERAL EXCISE TAX:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 153 jobs could be lost in D.C.
 - 56 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 97 jobs could be lost due to expenditure-induced impact
- Washington, D.C. would lose over \$355,400 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 305 jobs could be lost in D.C.
 - 111 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 194 jobs could be lost due to expenditure-induced impact
- Washington, D.C. would lose over \$710,800 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

West Virginia

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WEST VIRGINIA

- 3,839 jobs through core and supplier sectors
- 10,072 jobs through consumer expenditures on tobacco products
- 13,911 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 17 cents per pack
- 426,000 smokers pay \$65.8 million extra state and federal taxes
 - The federal government gets \$31.9 million of this amount
 - The state government gets \$33.9 million
- West Virginia collects \$18 million in sales tax revenues from cigarettes
- At current rates, 29.6% of the total price of a pack of cigarettes in West Virginia is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 470 jobs could be lost in the state
 - 130 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 340 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 940 jobs could be lost in the state
 - 260 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 680 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.3 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Wisconsin

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WISCONSIN

- 10,175 jobs through core and supplier sectors
- 33,030 jobs through consumer expenditures on tobacco products
- 43,205 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 30 cents per pack
- 1,046,000 smokers pay \$222.2 million extra state and federal taxes
 - The federal government gets \$77.3 million of this amount
 - The state government gets \$144.9 million
- Wisconsin collects \$38.6 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Wisconsin state cigarette taxes have increased 20%
- At current rates, 35.8% of the total price of a pack of cigarettes in Wisconsin is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,373 jobs could be lost in the state
 - 323 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 1,050 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,747 jobs could be lost in the state
 - 647 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 2,100 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.2 million in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE
FEDERAL EXCISE TAX ON CIGARETTES

Wyoming

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WYOMING

- 902 jobs through core and supplier sectors
- 1,918 jobs through consumer expenditures on tobacco products
- 2,820 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 12 cents per pack
- 105,000 smokers pay \$15.4 million extra state and federal taxes
 - The federal government gets \$8.8 million of this amount
 - The state government gets \$6.6 million
- Since the federal cigarette tax was doubled in 1983, Wyoming state cigarette taxes have increased 50%
- At current rates, 21.7% of the total price of a pack of cigarettes in Wyoming is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 105 jobs could be lost in the state
 - 34 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 71 jobs could be lost due to expenditure-induced impact
- State would lose over \$244,200 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 210 jobs could be lost in the state
 - 68 jobs would be in jeopardy in the core and supplier sector
 - The man-hour equivalent of another 142 jobs could be lost due to expenditure-induced impact
- State would lose over \$488,500 in excise tax revenue

Sources: The Economic Impact of the Tobacco Industry on the United States Economy; Price Waterhouse, 1989.
The Tax Burden on Tobacco; Tobacco Institute, 1989.

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